

EXHIBIT 12

Outlook for U.S. Livestock and Poultry in 2010

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World Agricultural Outlook Board
United States Department of Agriculture

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Weak Demand in 2009...

- **U.S. GDP -2.5, World GDP -2.1**
- **U.S. unemployment rises to 10%**
- **Disposable income growth weak**
- **Consumer confidence weak**
- **Reduced restaurant sales**

Weak Demand In 2009 Impacts The Meat Sector

- **Producer returns negative**
 - **Reflects high feed prices of 2008**
 - **Impacting production through 2009**
- **Recession compounds losses for sector**

Meat Production Falls in 2009

Billion Pounds	2008	2009	% Change
Beef	26.56	25.96	-2.3
Pork	23.35*	23.00	-1.5
Broiler Meat	36.91*	35.49	-3.8
Turkey	6.25*	5.66	-9.3

* Record

Livestock & Poultry Prices Lower in 2009

	2008	2009	% Change
Cattle, \$/cwt	92.27*	82.68	-10.4
Hogs, \$/cwt	47.84	41.24	-13.8
12-City Broilers, ¢/lb	79.7*	77.6	-2.6
Eastern Turkey Hens, ¢/lb	87.5*	79.5	-9.1

Meat Exports Lower in 2009

Billion Pounds	2008	2009	% Change
Beef	1.89	1.87	-0.9
Pork	4.67*	4.13	-11.6
Broiler Meat	6.96*	6.84	-1.8
Turkey	0.68*	0.53	-20.9

What to Look For In 2010...

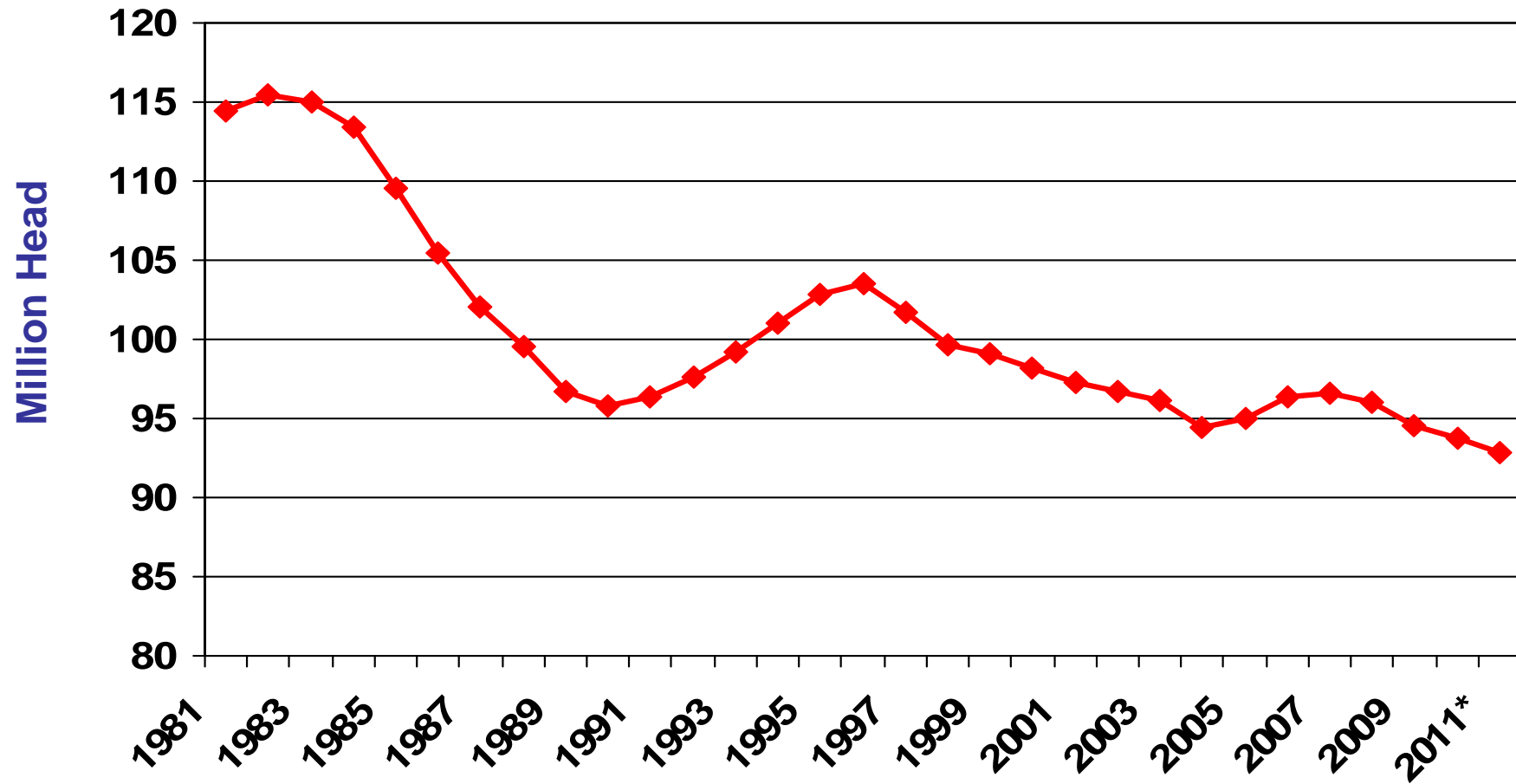
- **Positive GDP, domestic and international**
- **Relatively weak U.S. dollar**
- **Demand will firm?**
 - **Consumer confidence stronger**
 - **Restaurant sales pick up**
 - **Disposable income growth higher than 2009**
 - **But, persistent high unemployment**

What to Look For In 2010...

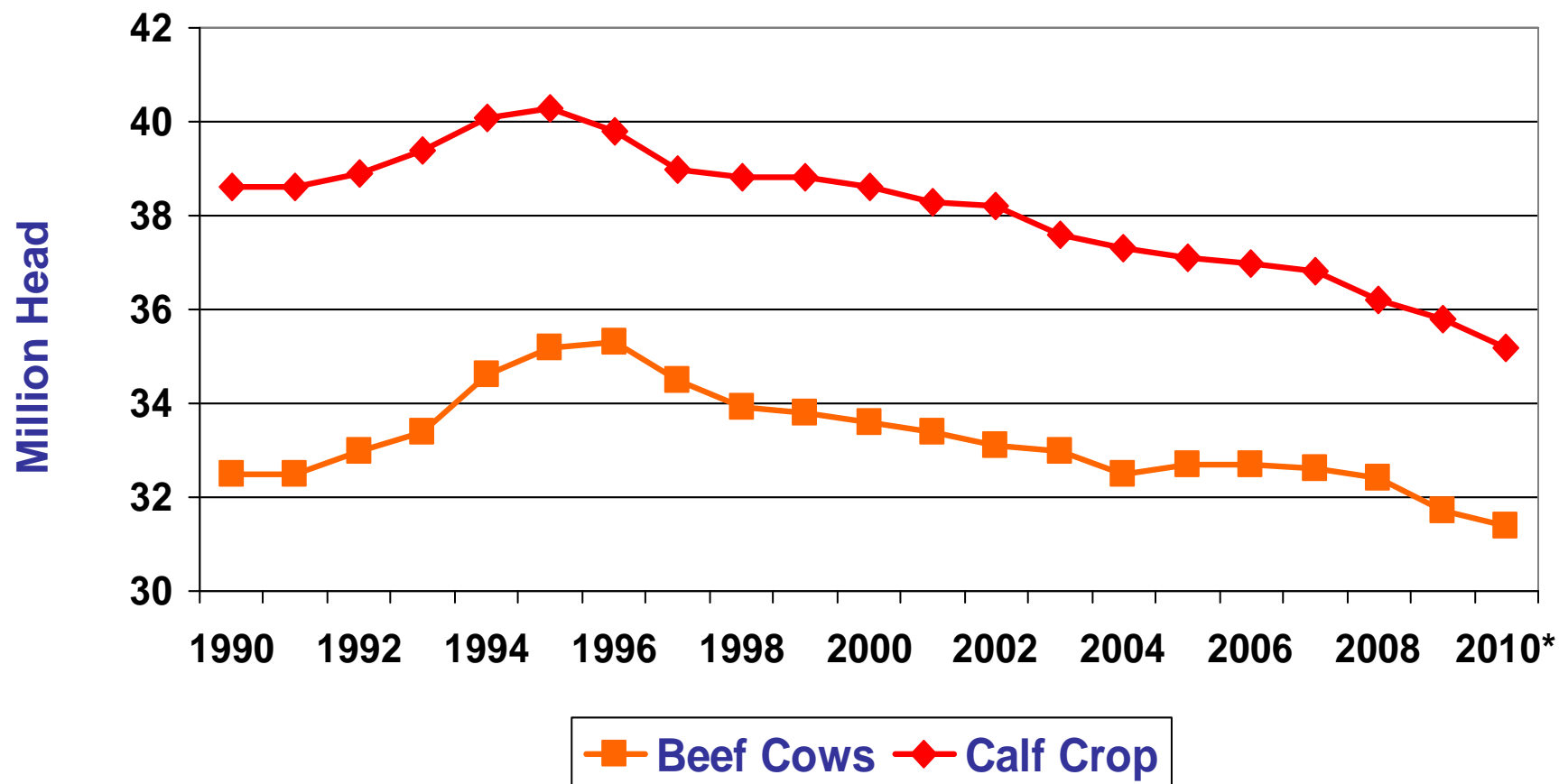
- **Producer returns improving**
 - Lower to steady feed prices
 - Higher prices across the board
- **Declining or slow growth in meat output**
- **Stronger exports for red meat**
- **Trade issues for poultry**
- **Declining per capita disappearance**

Cattle and Beef

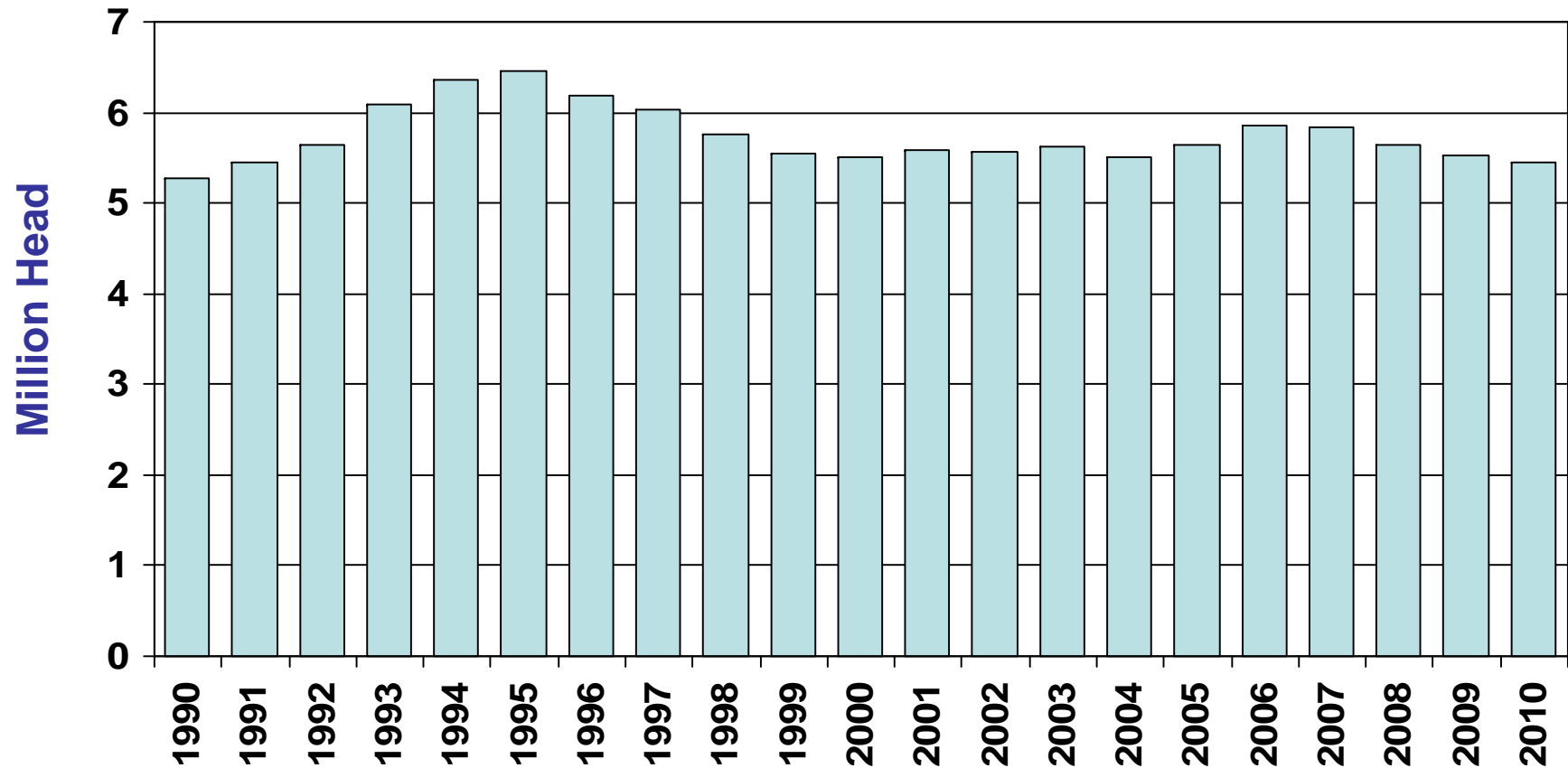
Cattle Herd at 93.7 Million on Jan 1, 2010, Herd Contraction Continues During Year



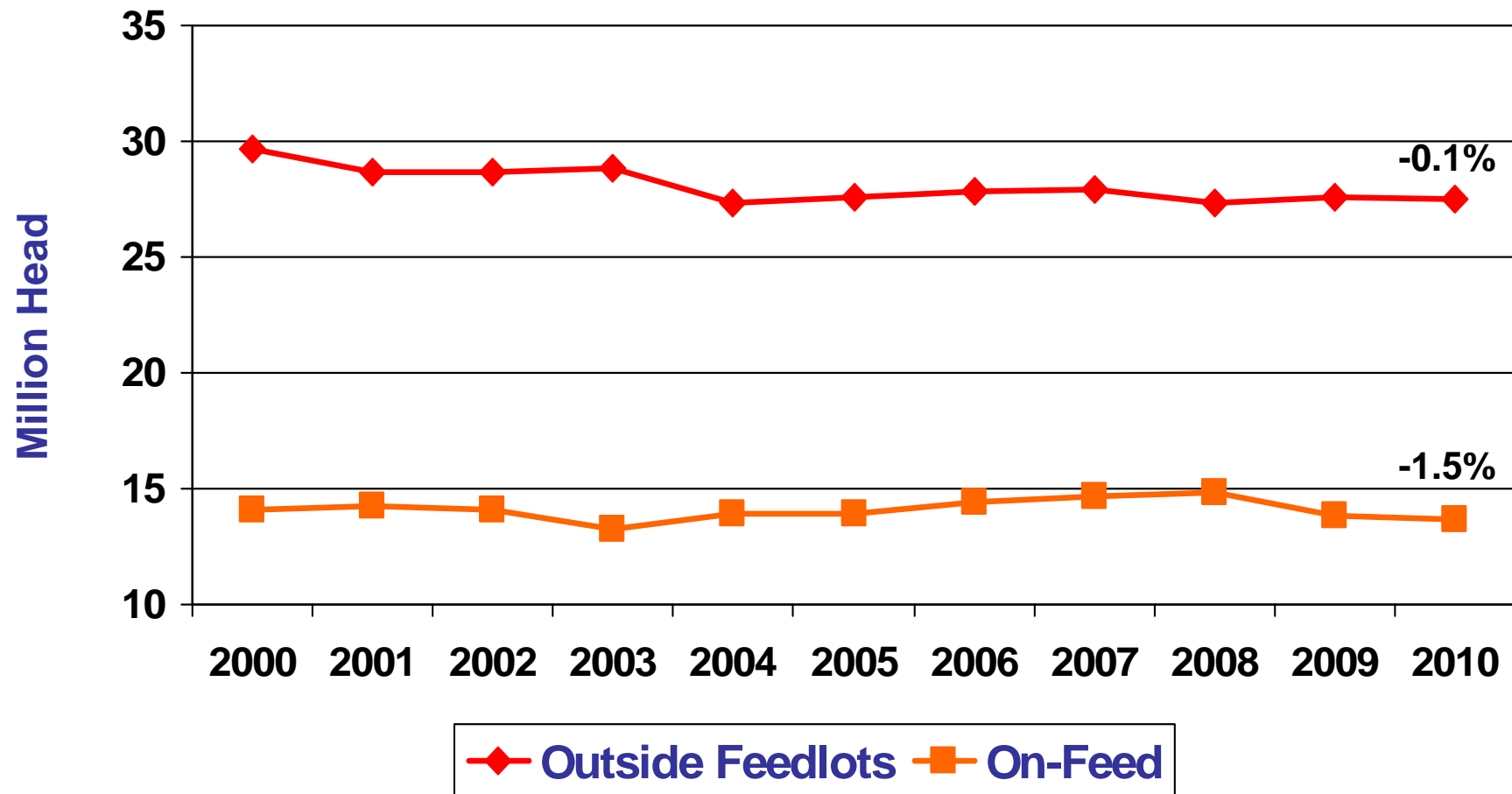
Beef Cows 1 Percent Lower Jan. 1, 2010. Calf Crop Declines This Year



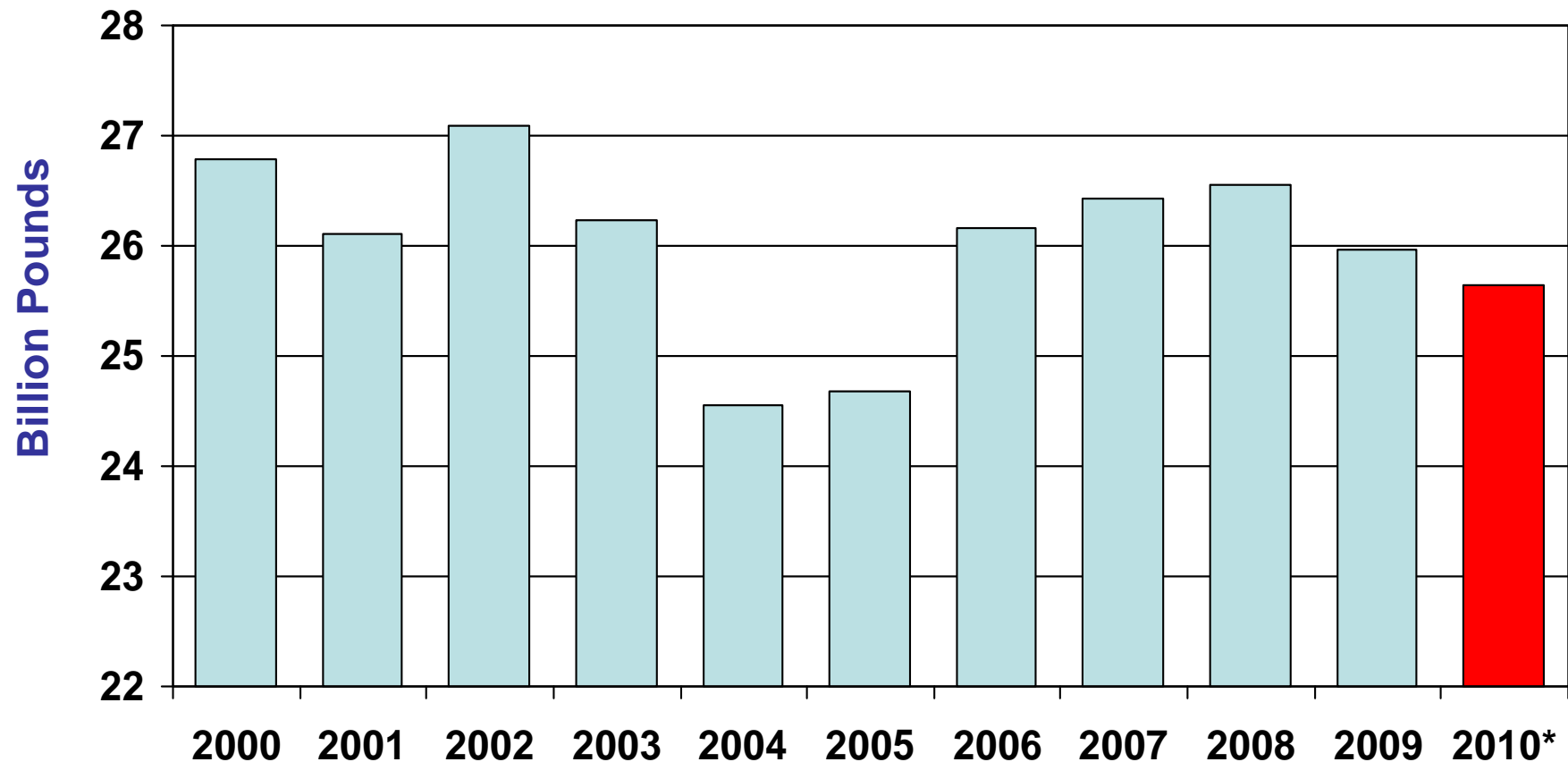
Beef Replacement Heifers 2 Percent Lower on January 1



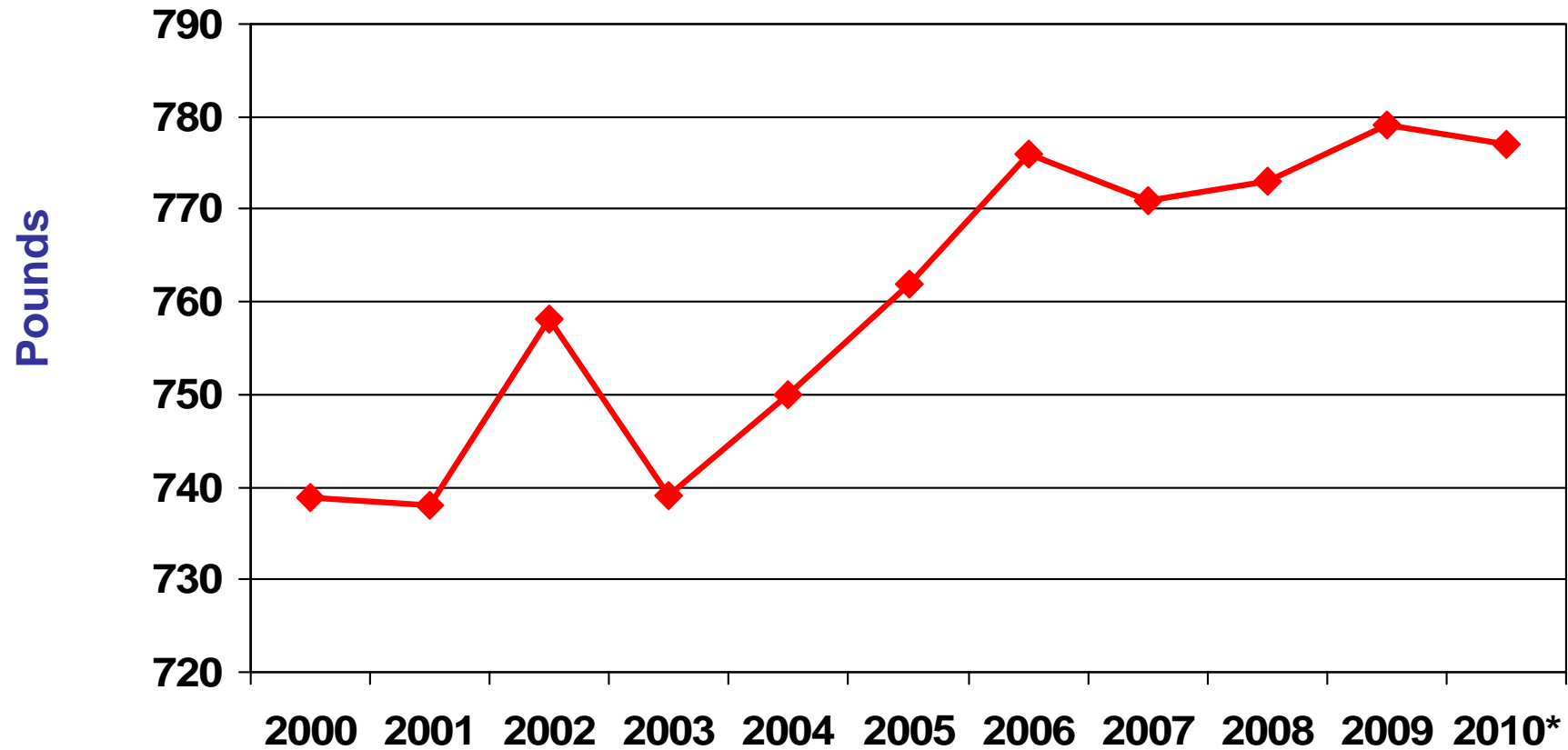
Cattle On Feed Lower on January 1



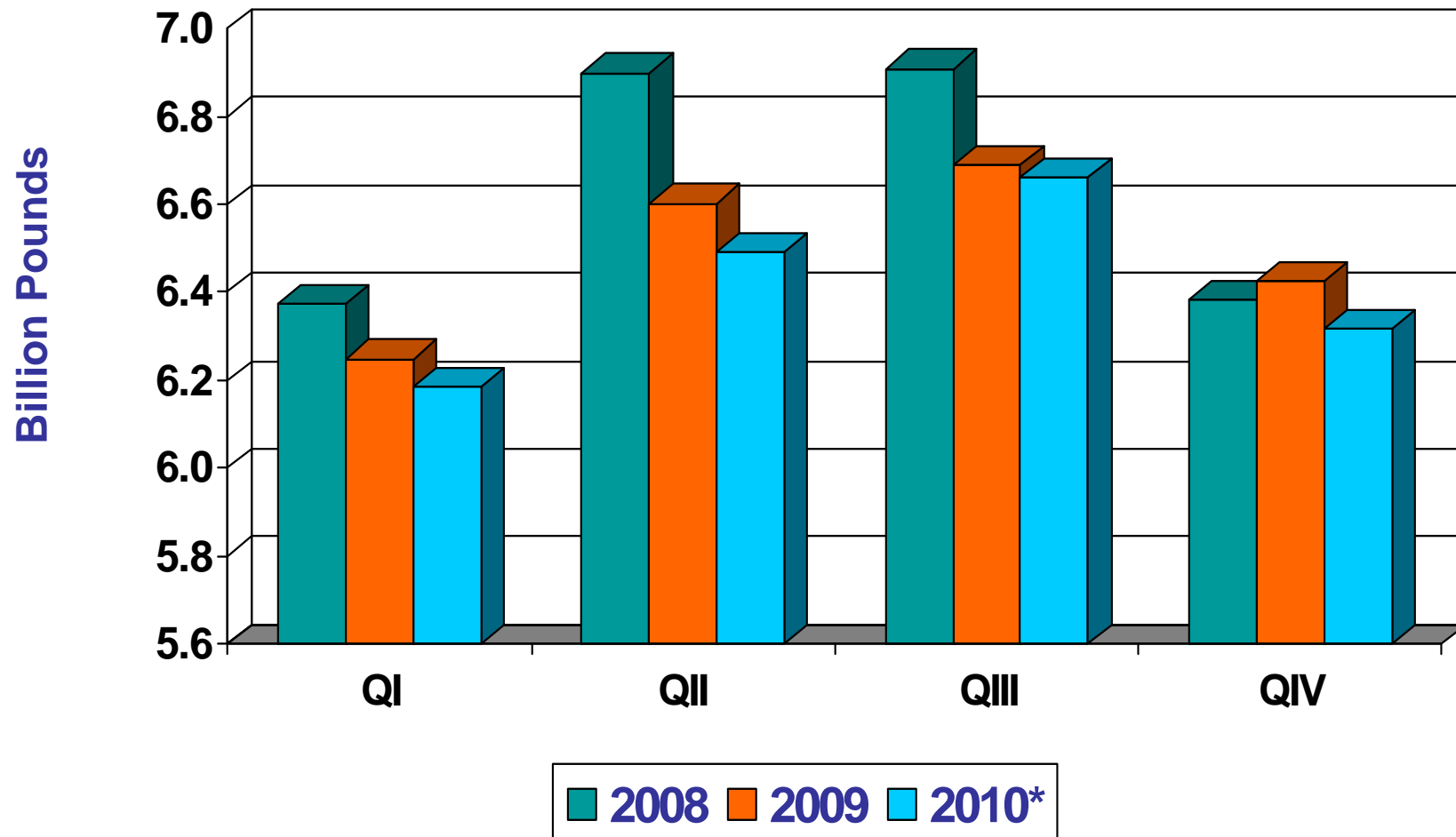
Beef Production to Decline to 25.7 Billion Pounds in 2010



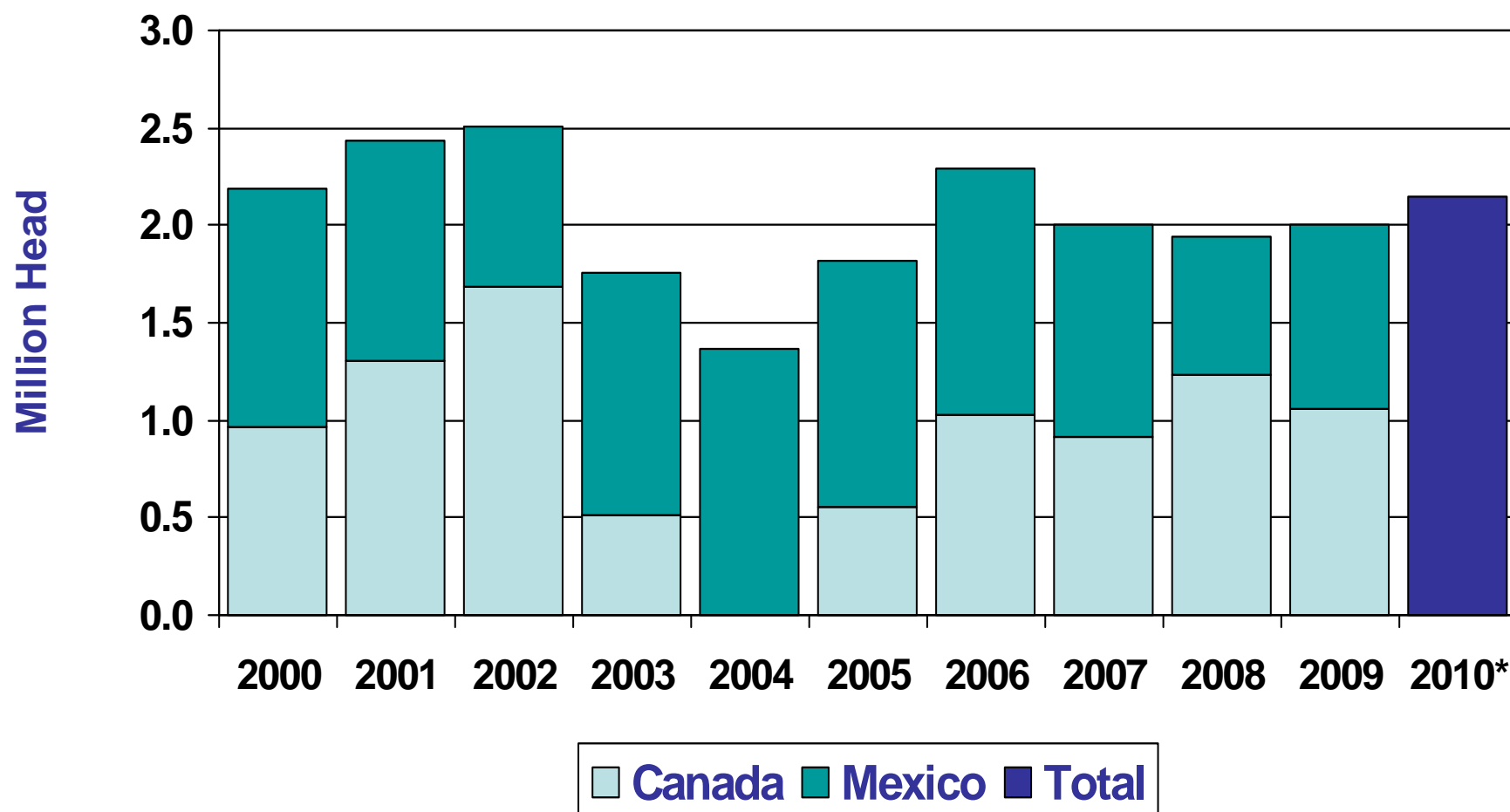
Average Cattle Carcass Weight Growth Slips in 2010



Beef Output Falls Below Year Earlier in Each Quarter



Cattle Imports Increase About 5 Percent to 2.1 Million Head In 2010



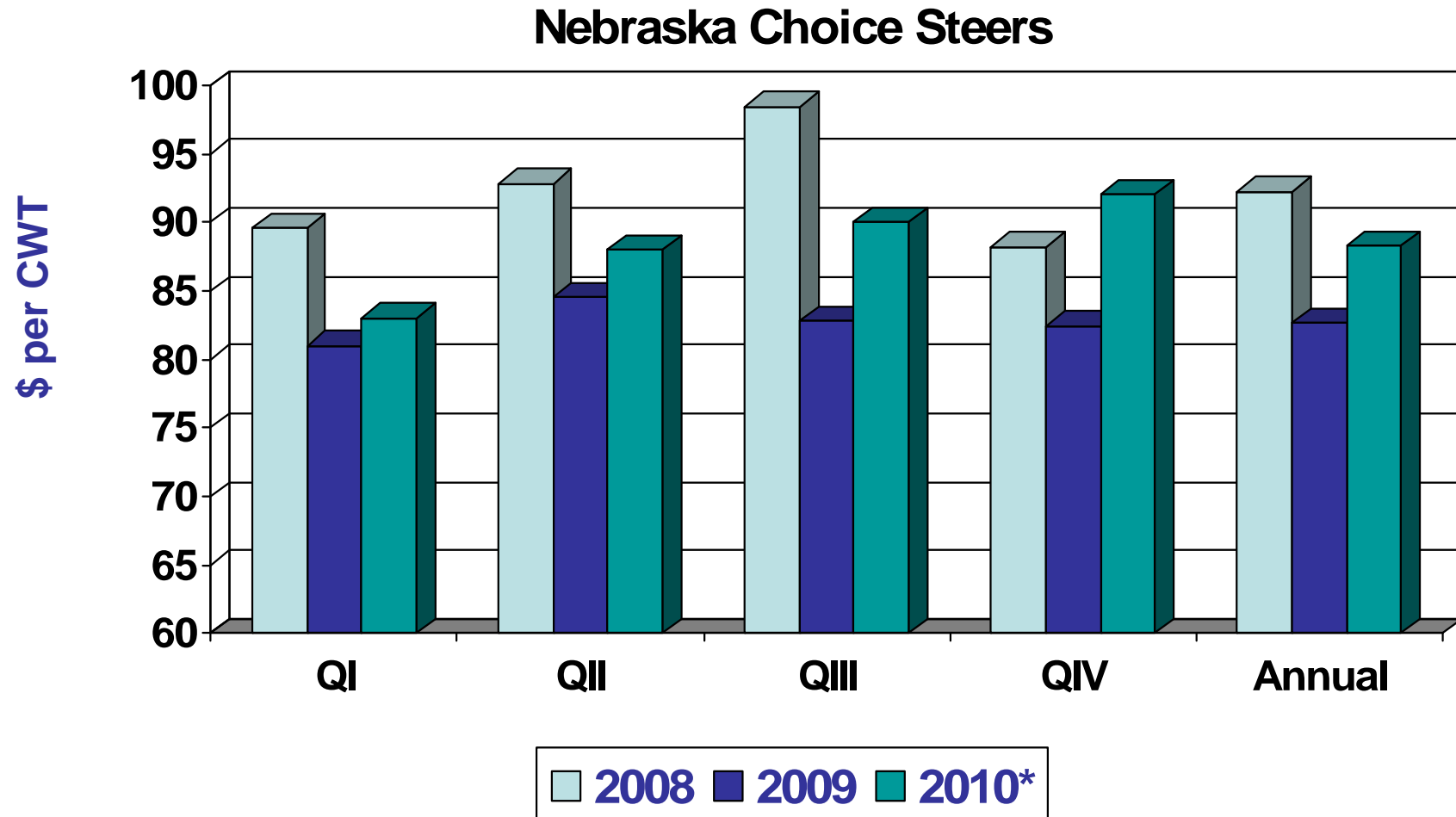
Beef Exports Expected to Exceed 2 Billion Pounds



Beef Imports Increase 6 Percent to 2.8 Billion Pounds

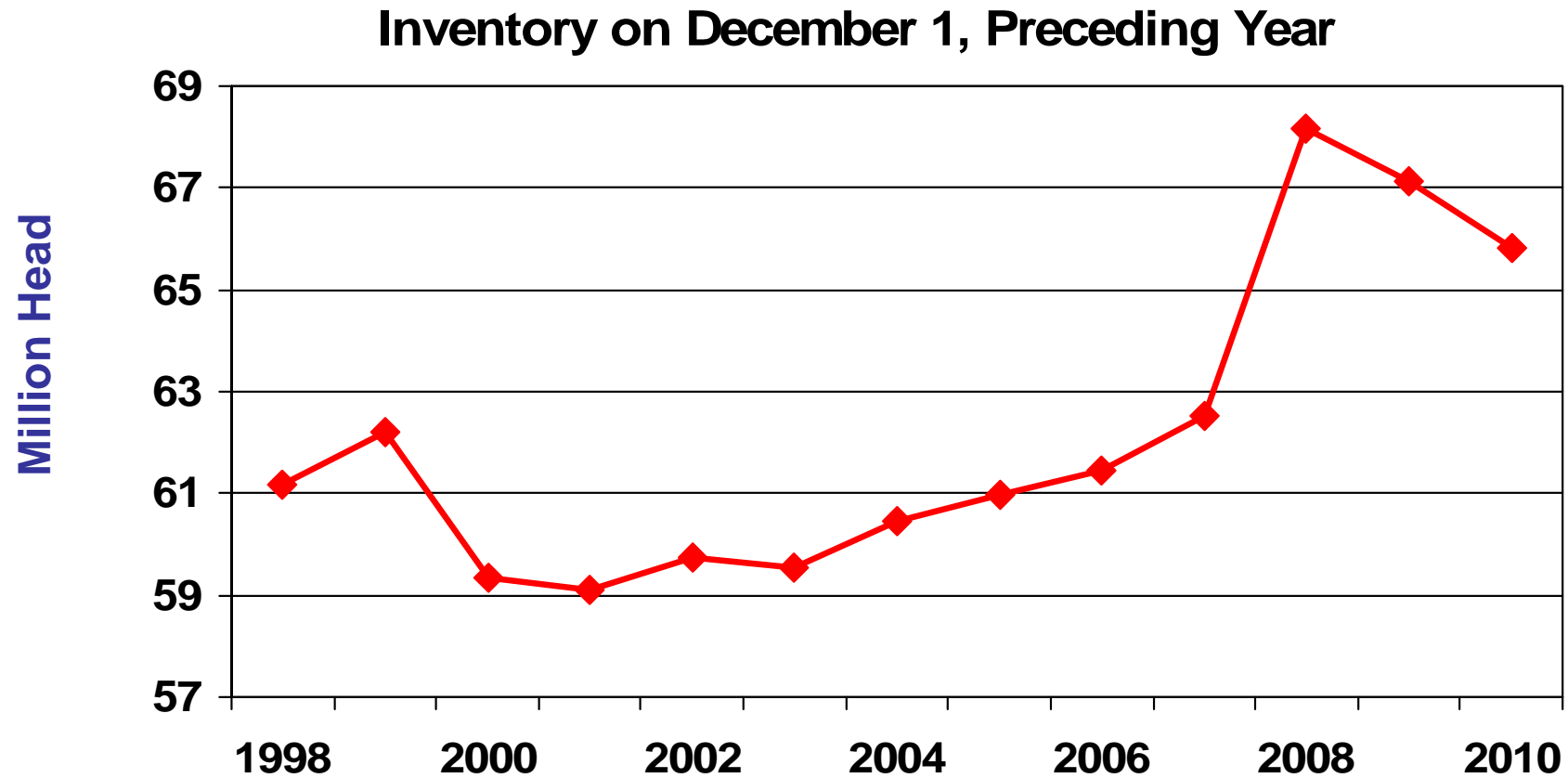


Cattle Prices Rise in 2010, to Average \$85 to \$91 per cwt

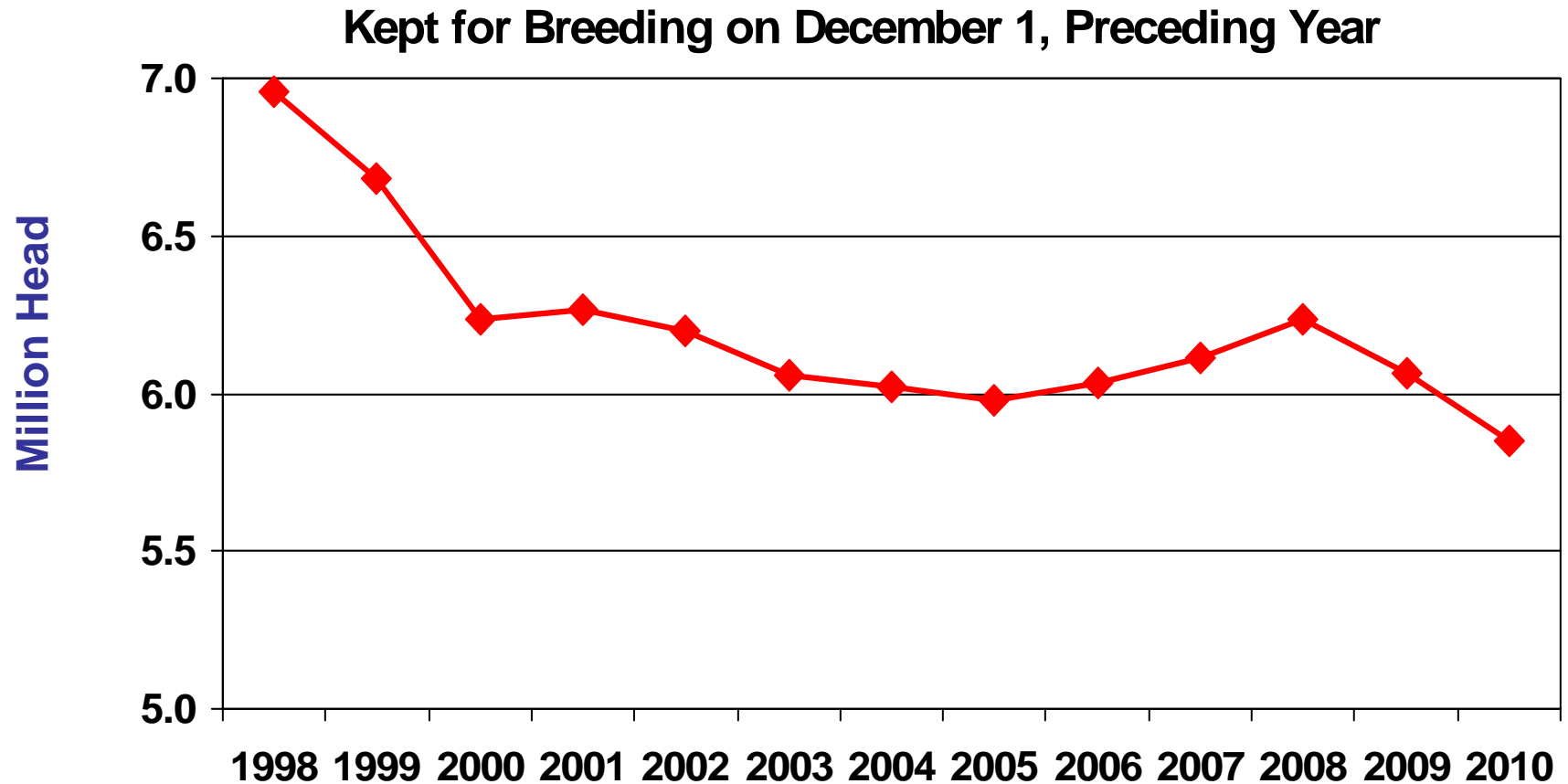


Hogs and Pork

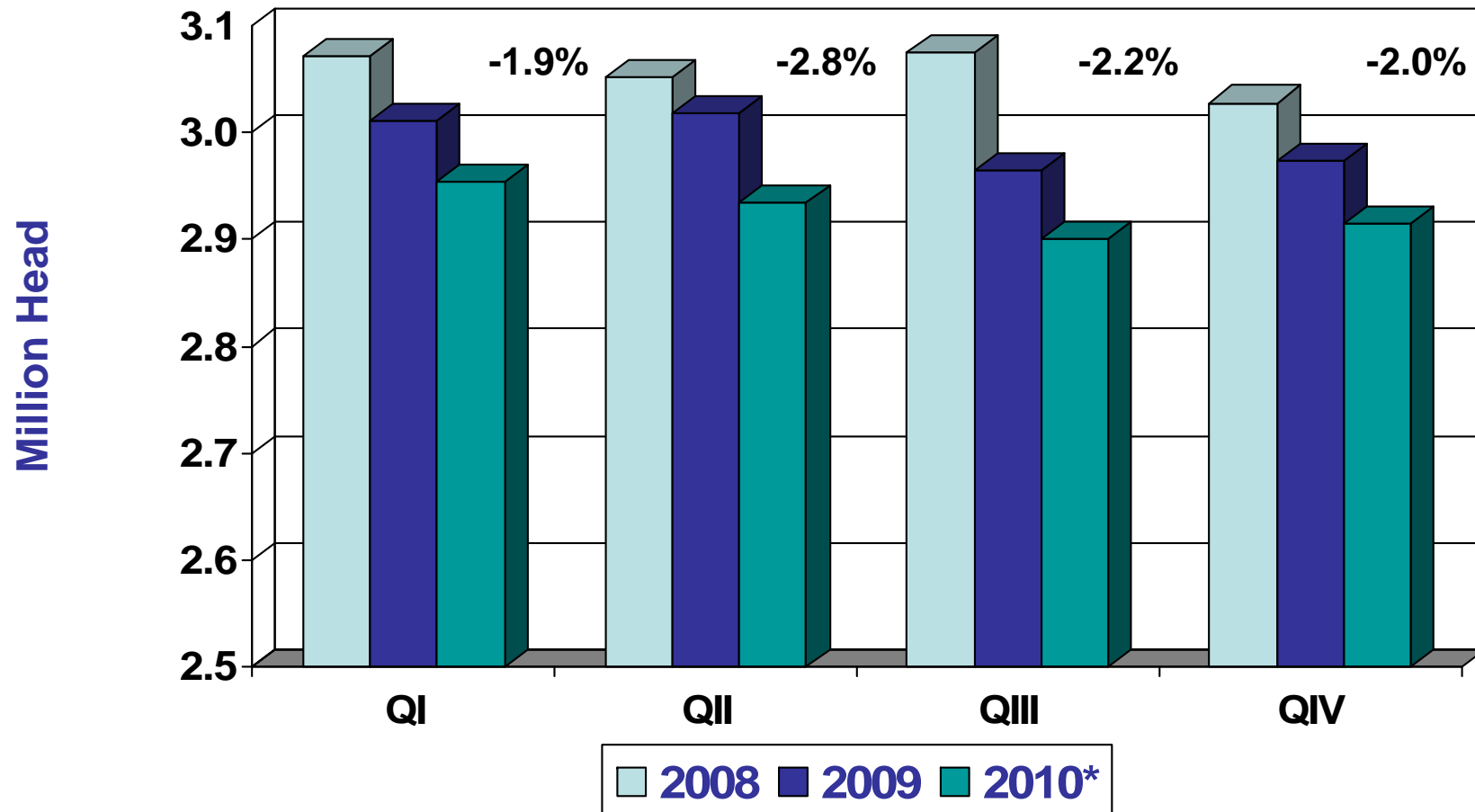
Beginning Hog Inventory Falls 2 Percent to 65.8 Million Head



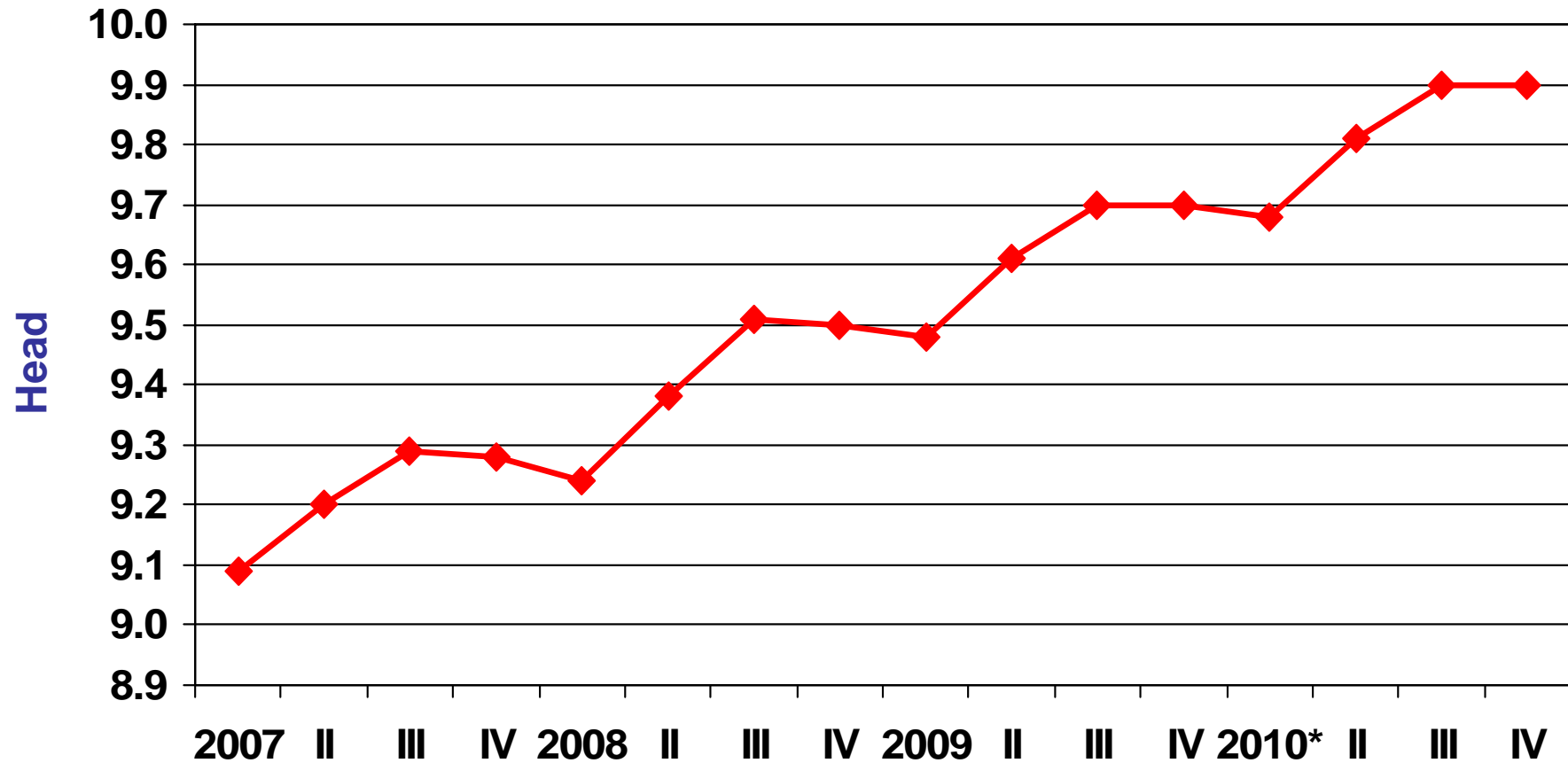
Breeding Herd Falls 3.5 Percent to 5.85 Million Head



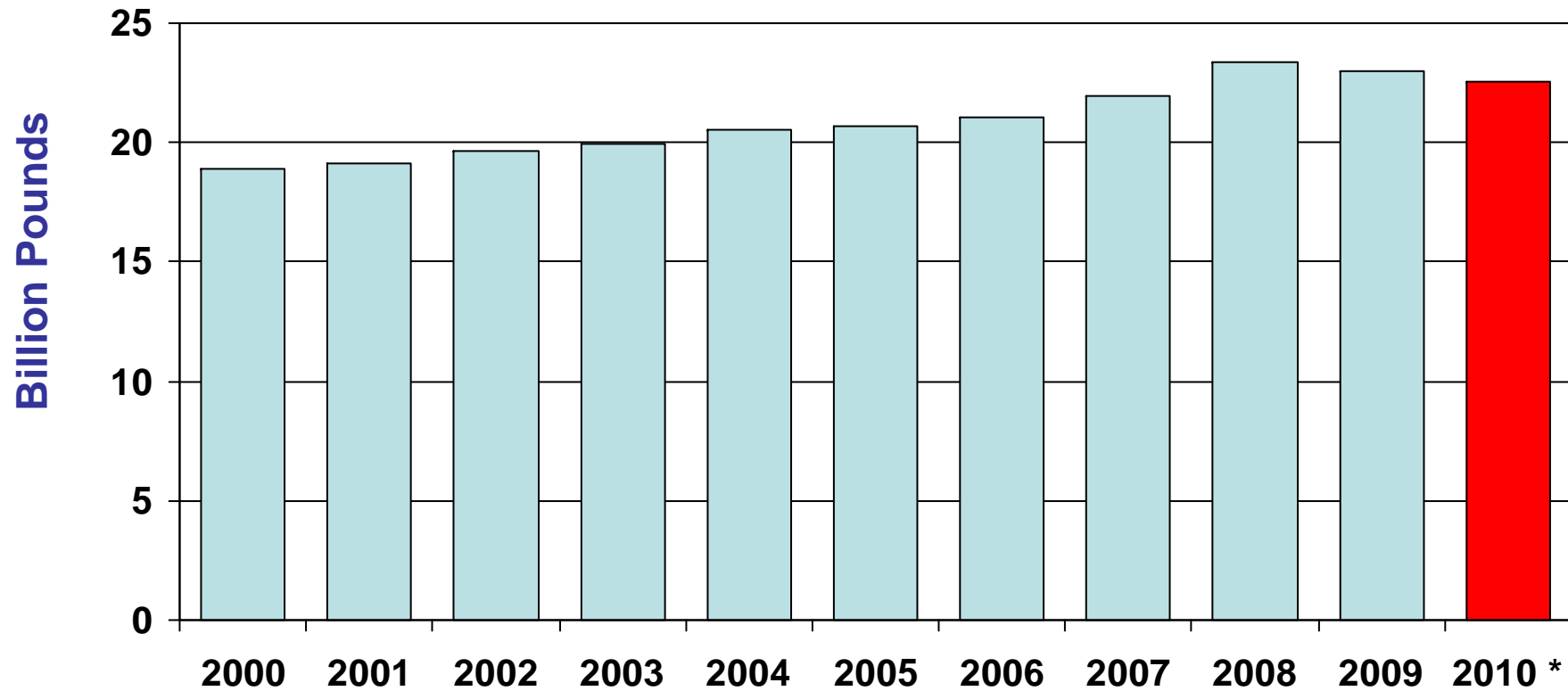
Sows Farrowing Expected to Continue to Decline During 2010



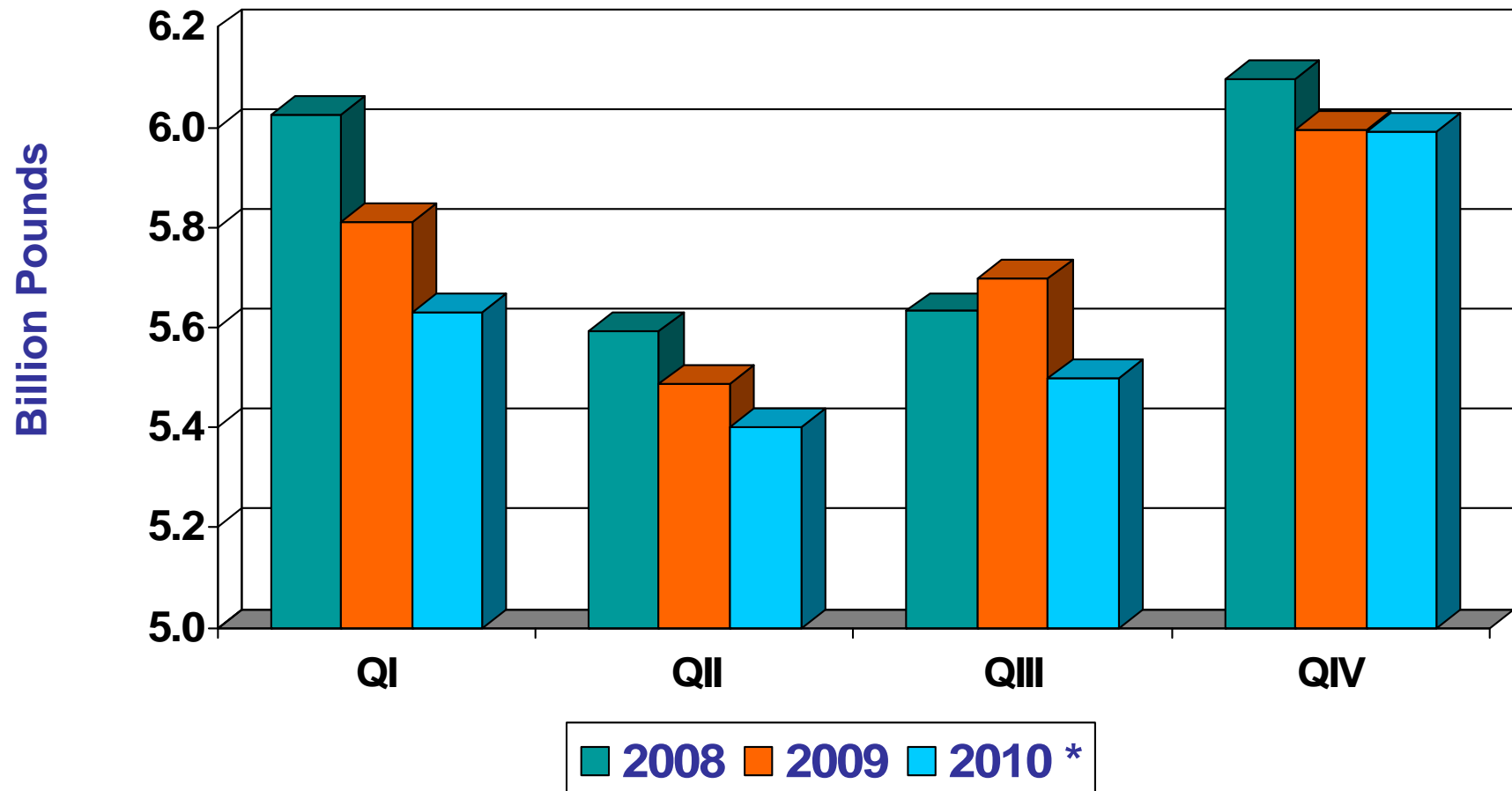
Pigs Per Litter Growth Steadily Higher



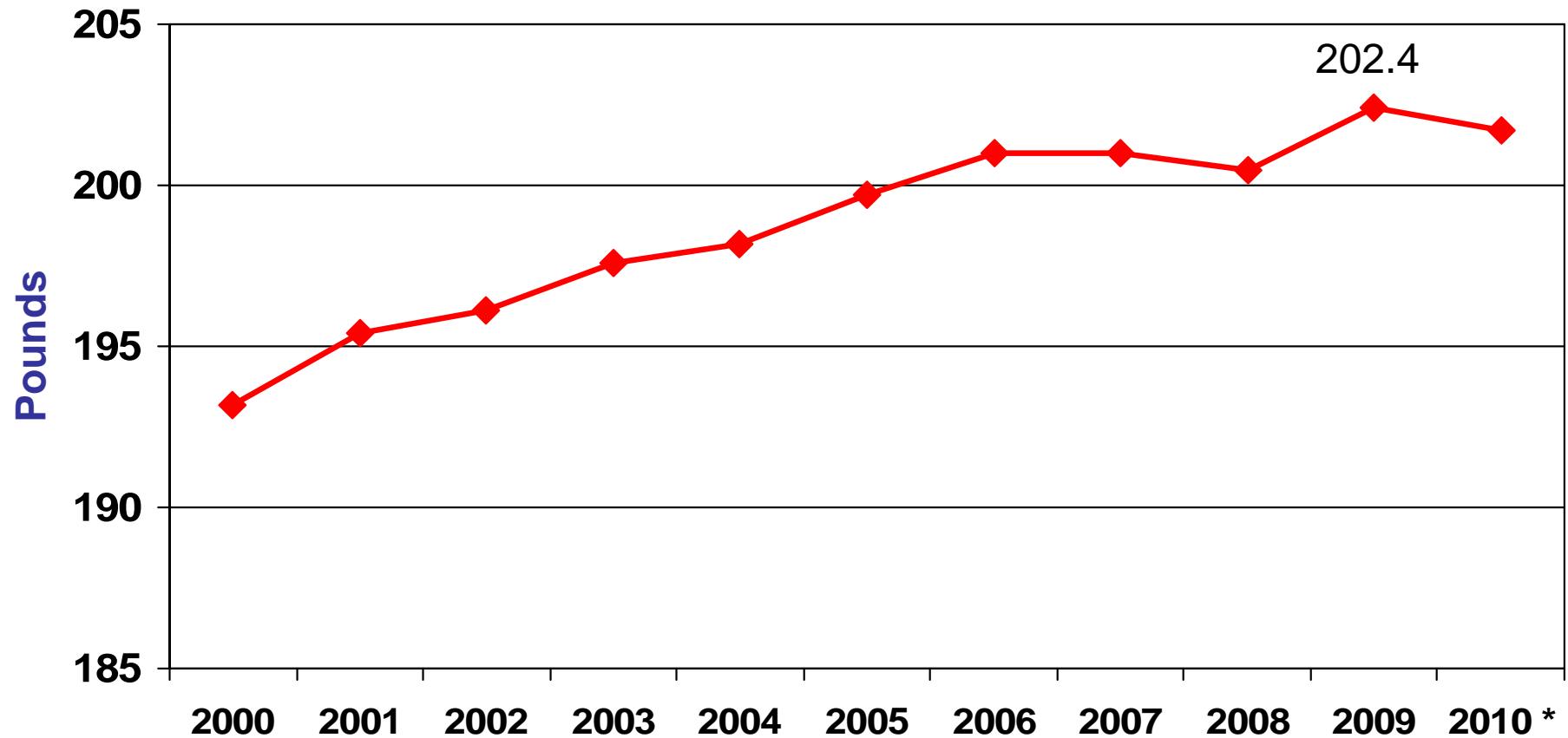
Pork Production Decreases 2 Percent to 22.5 Billion Pounds in 2010



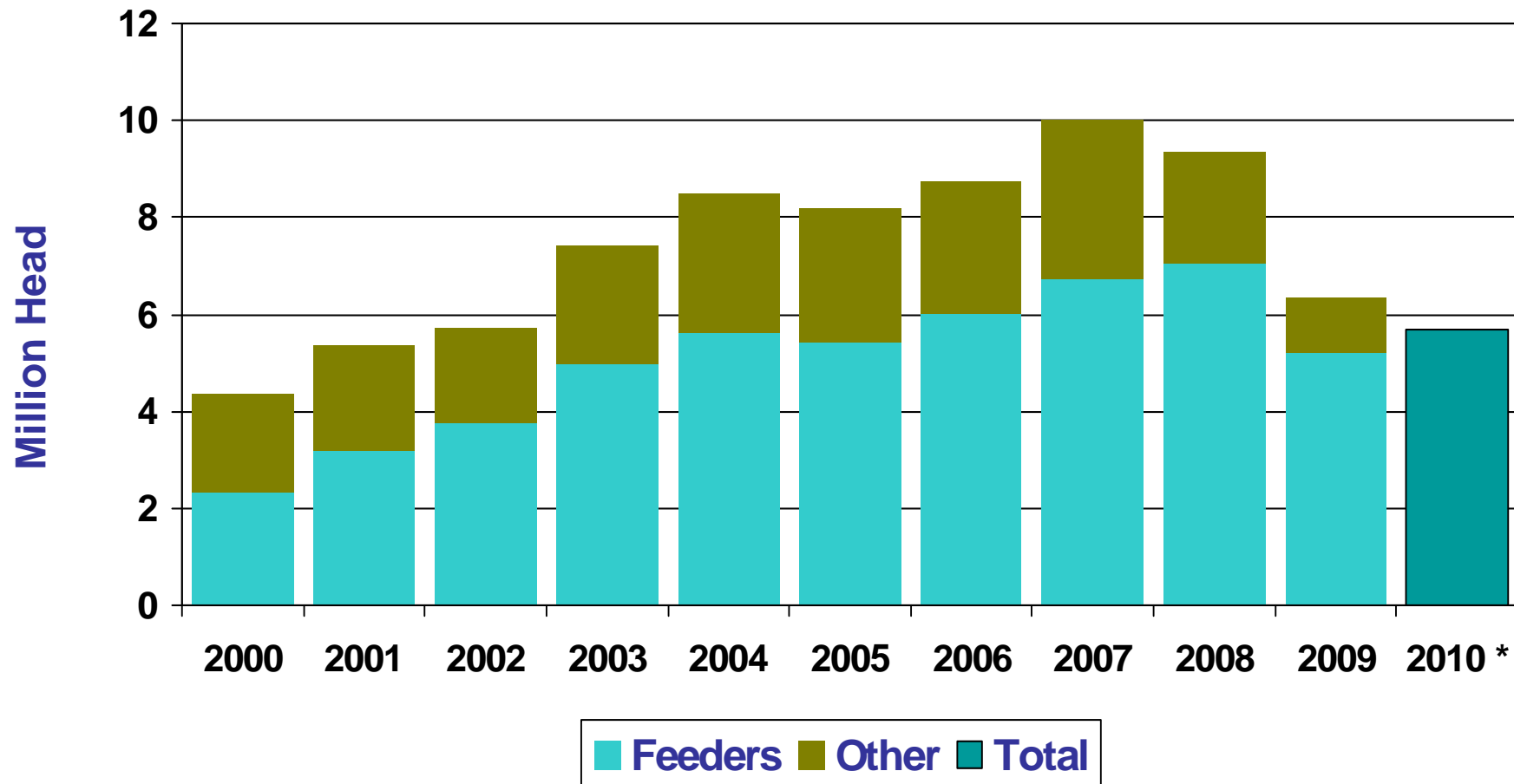
Pork Production Declines Through Fourth Quarter



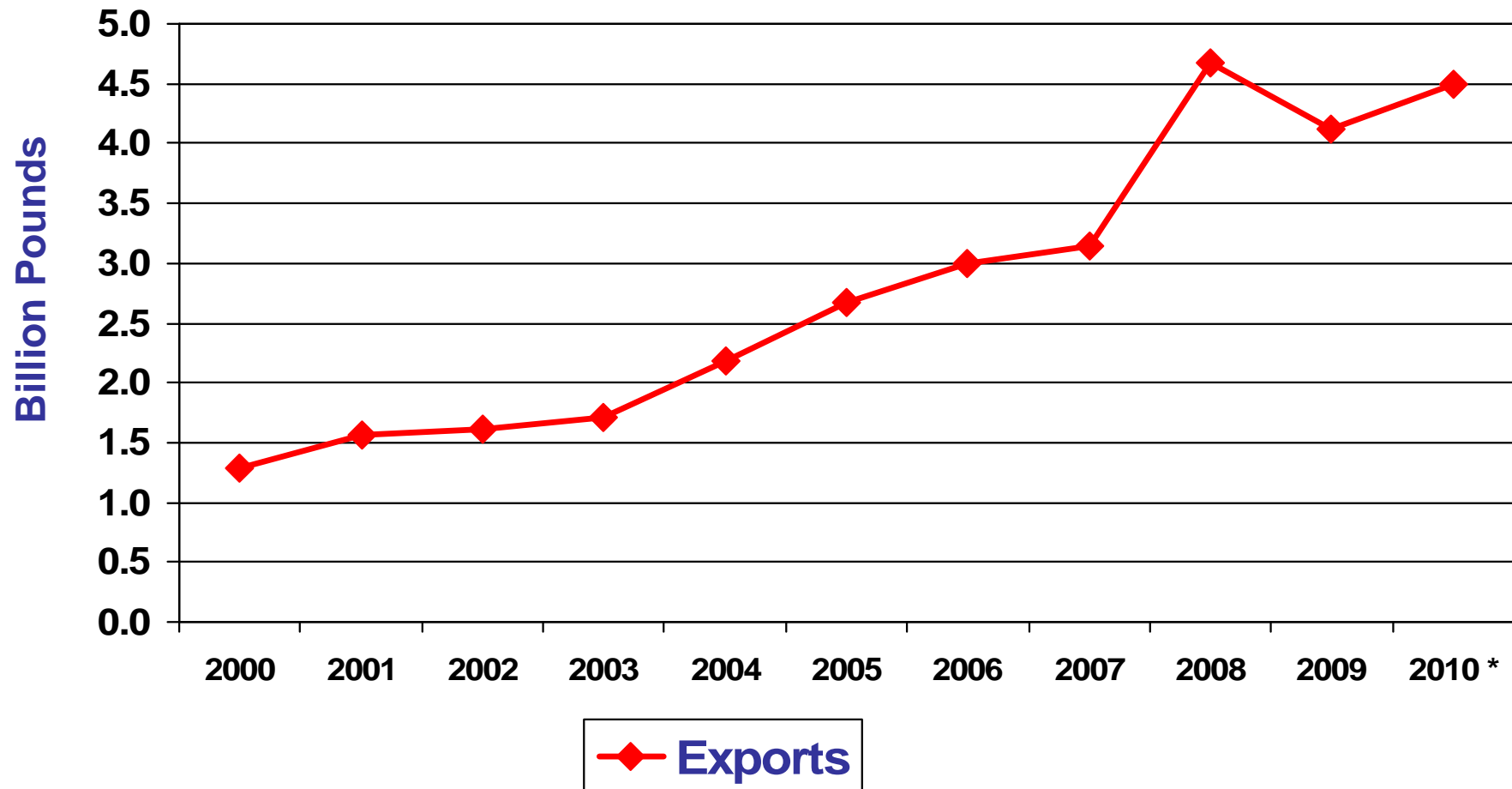
Average Hog Carcass Weights Record High in 2009, Decline in 2010



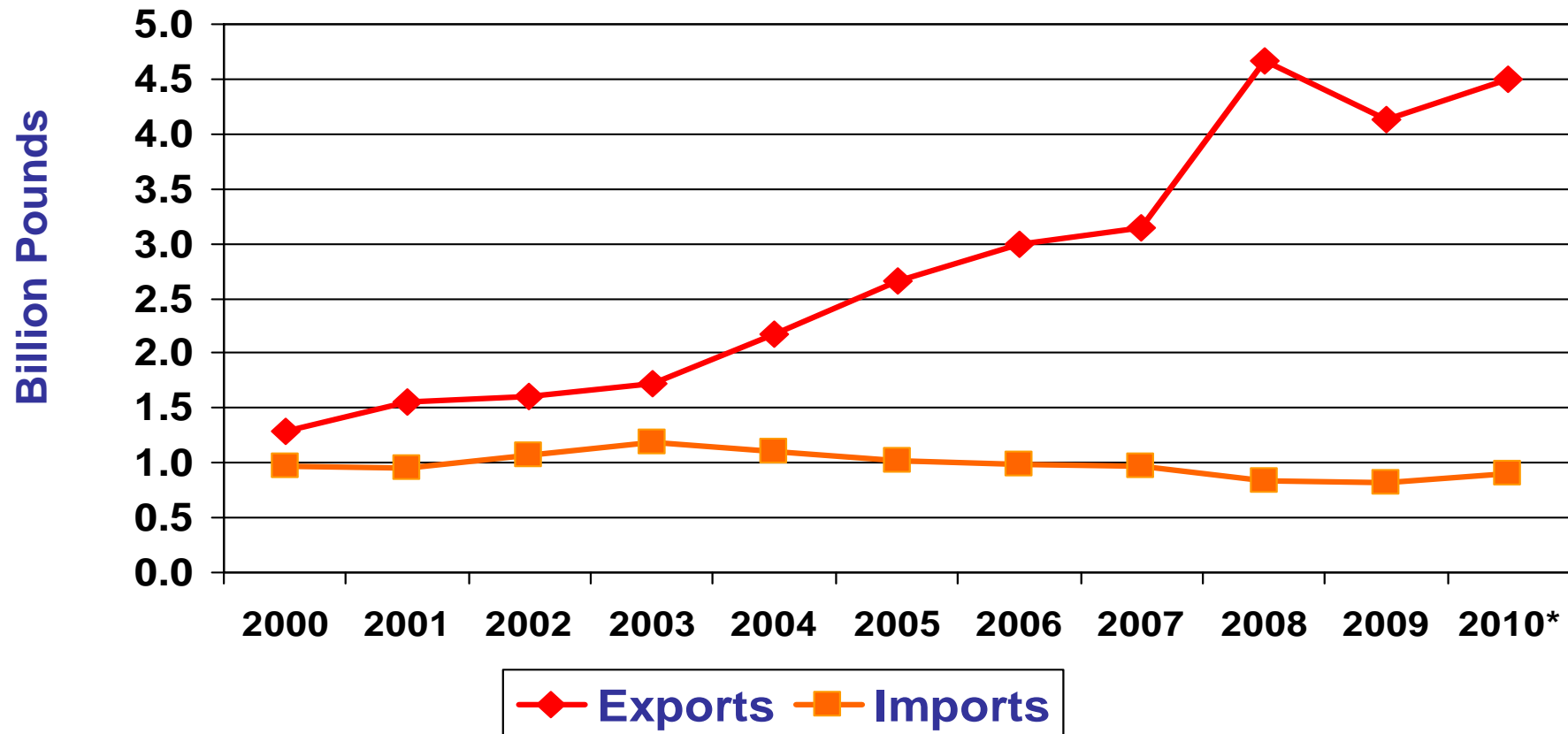
Hog Imports Drop 32 Percent in 2009, Decline Below 6 Million Head in 2010



Pork Exports in 2010 Rise to 4.5 Billion Pounds

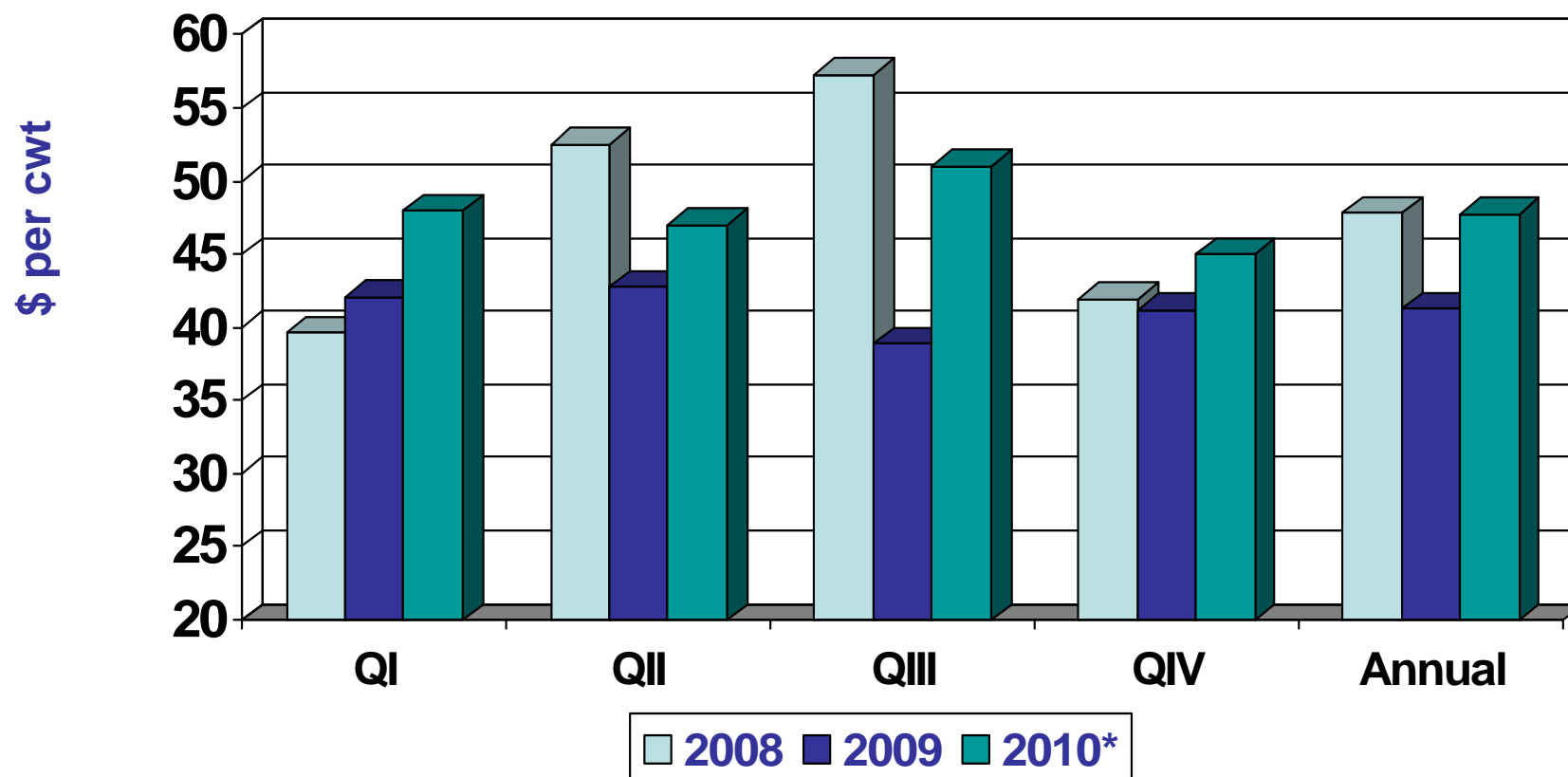


Pork Exports Rise to 4.5 Billion Pounds, Pork Imports Continue Slow Growth



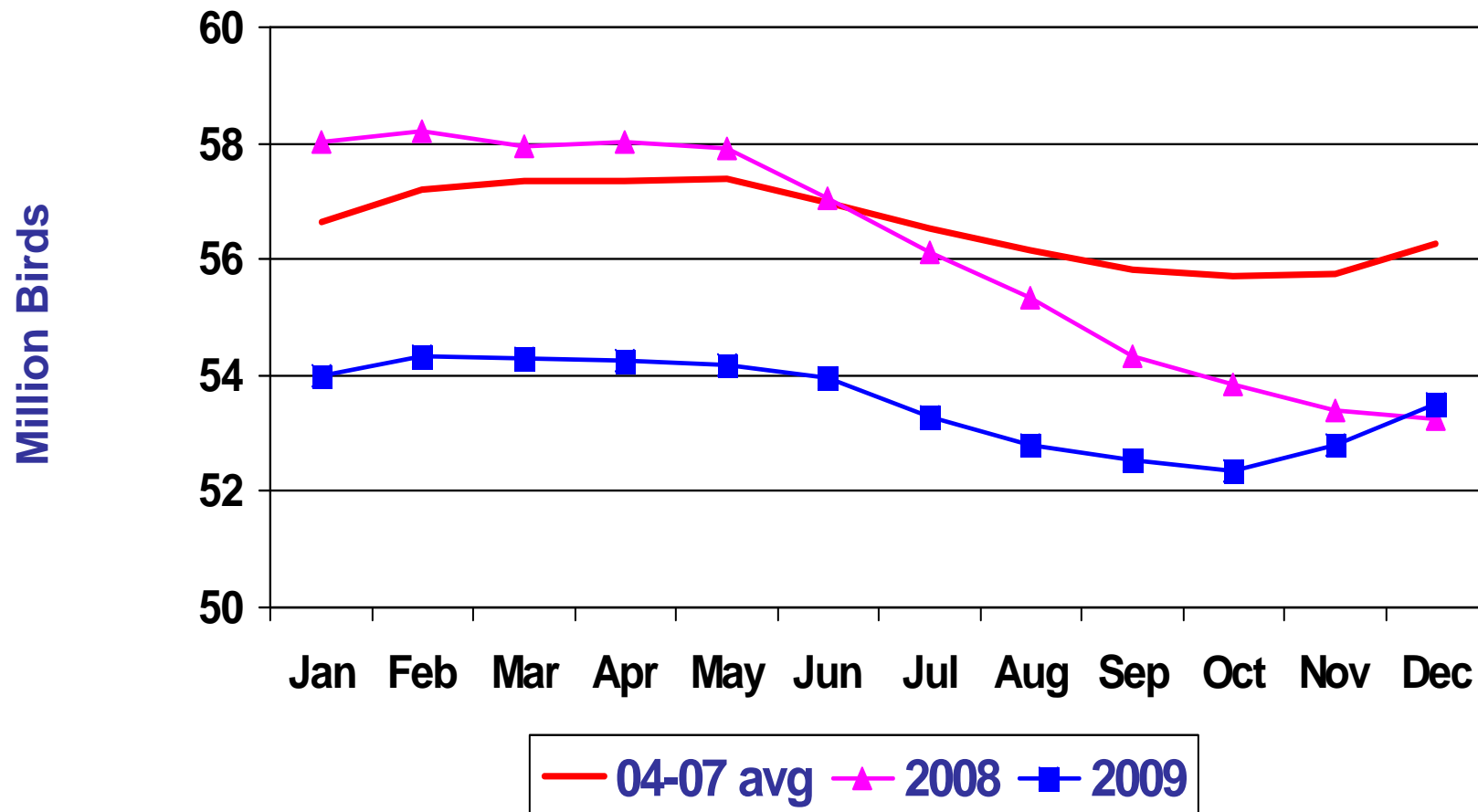
Hog Prices to Rebound to Average \$46 to \$49 per cwt

National Base, 51-52% Lean, Live Equivalent

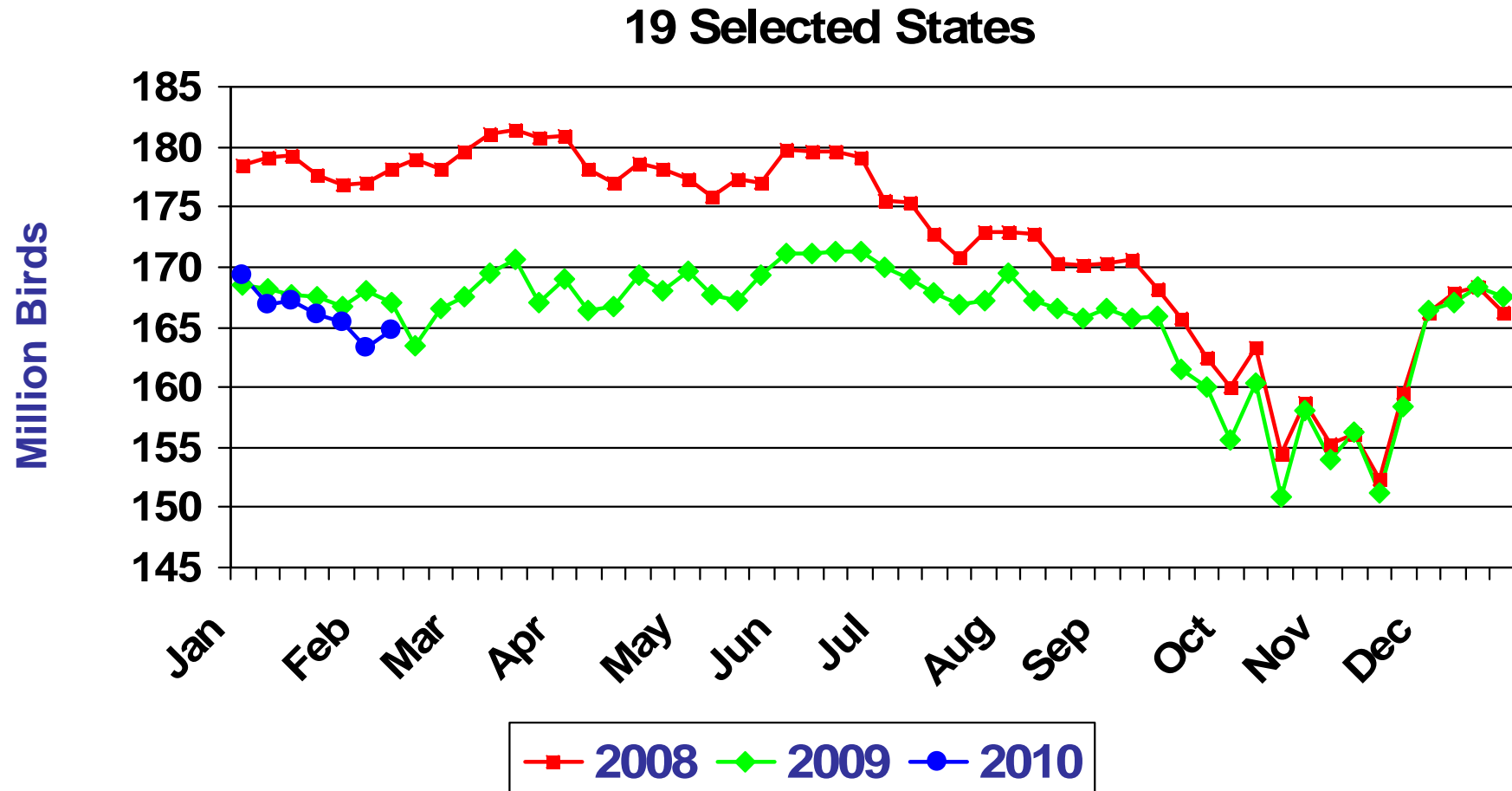


Poultry

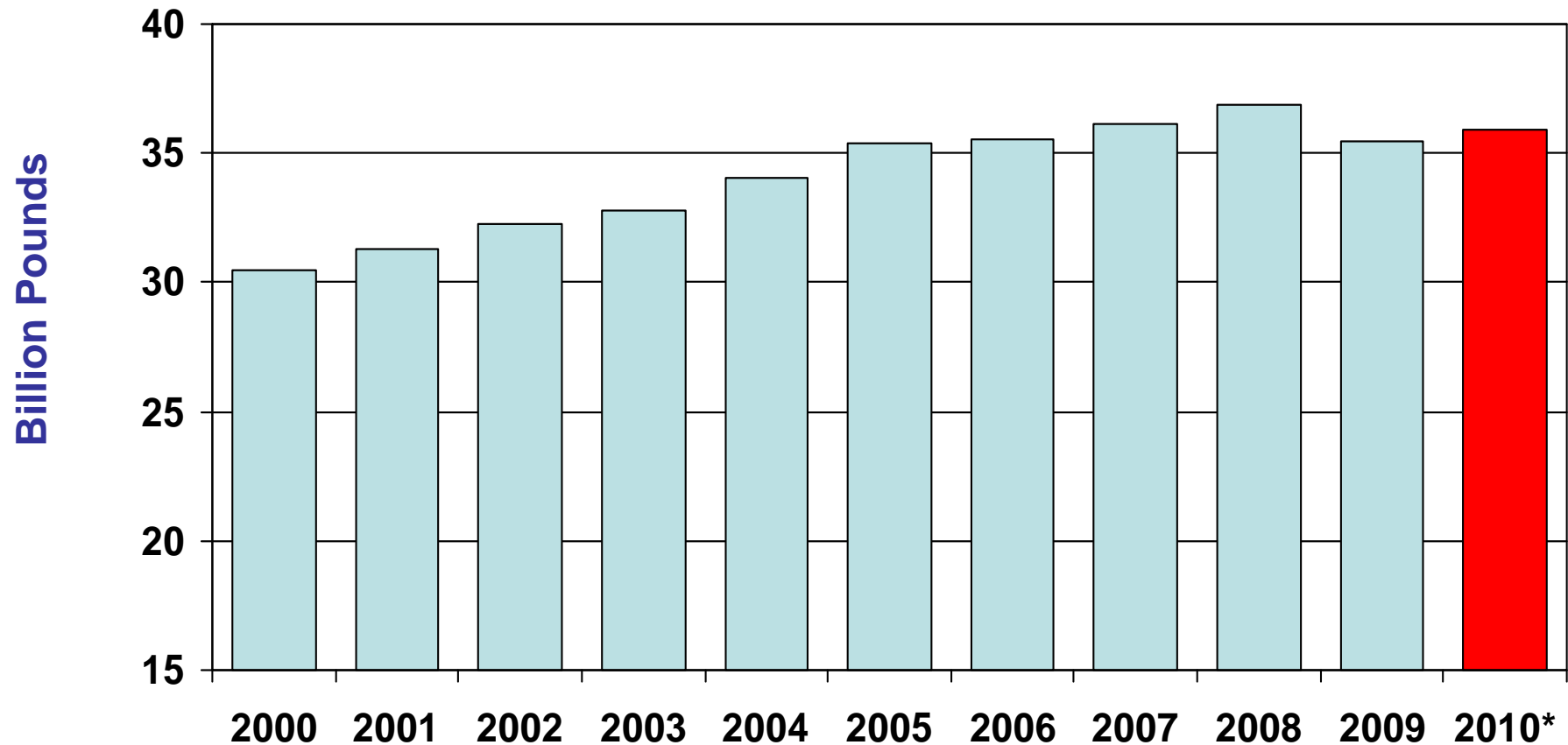
Broiler Hatching Flock Just Moving Back Into Positive



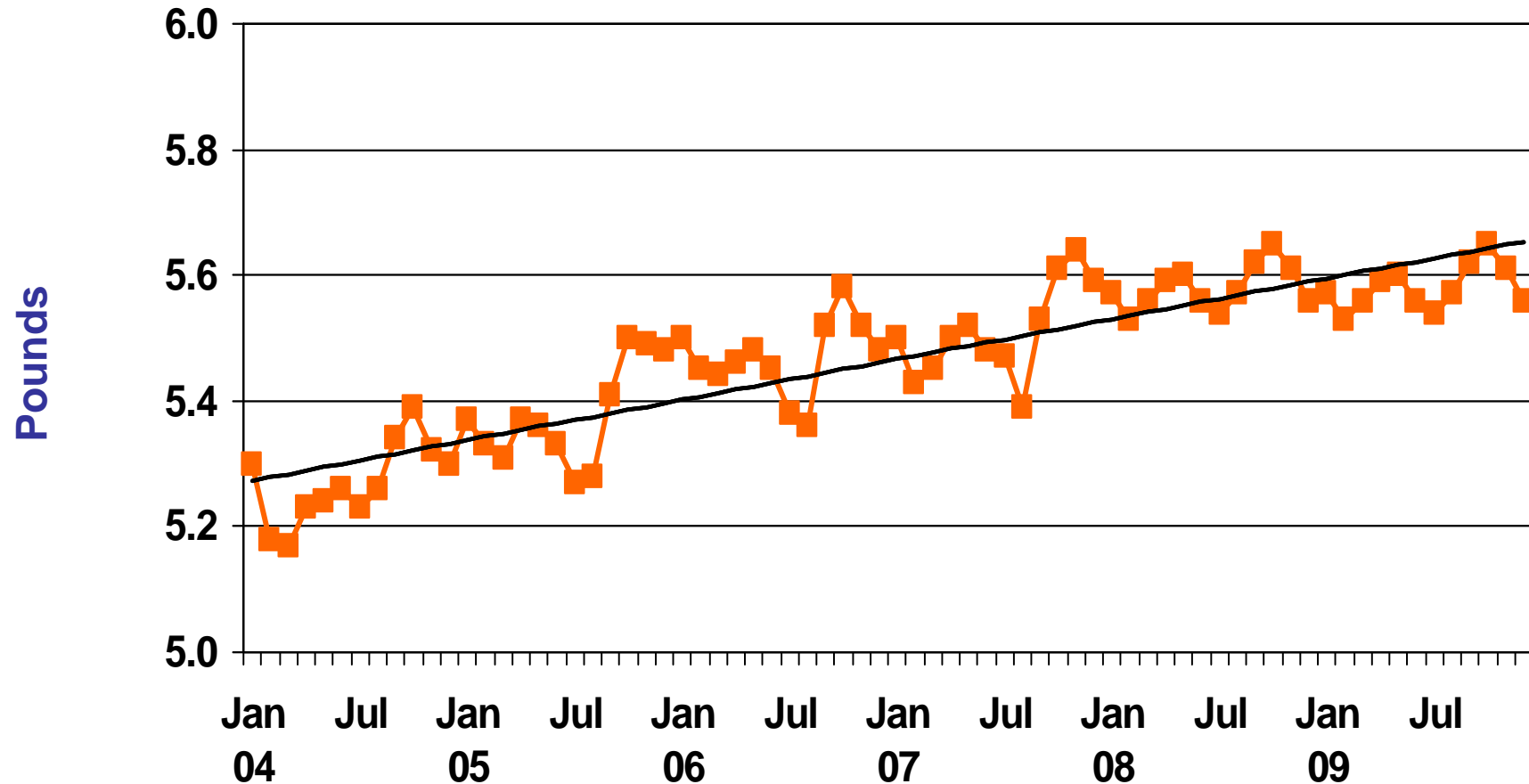
Chicks Placed For Grow Out About at Year Ago Level



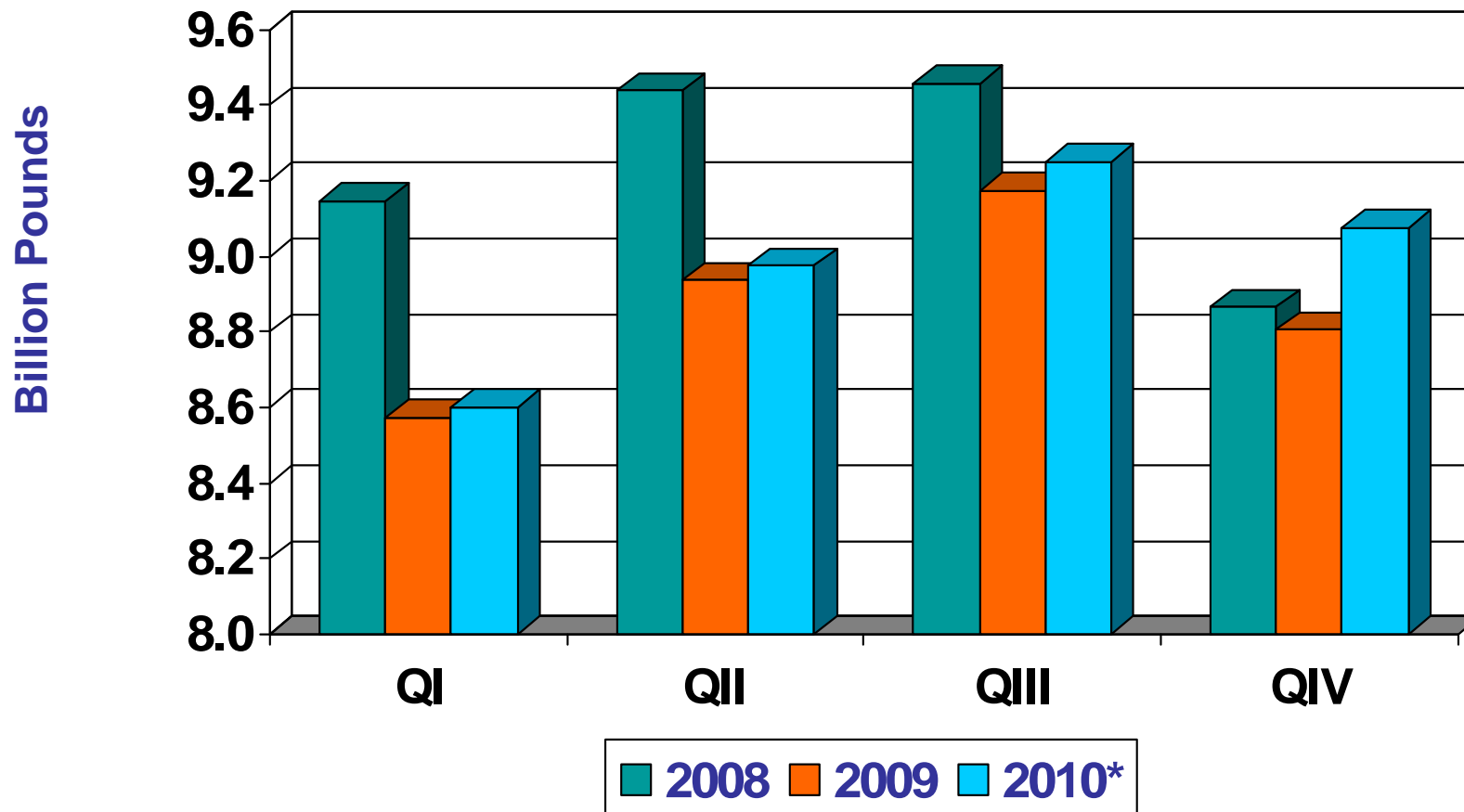
Broiler Meat Output Rises to 35.9 Billion Pounds in 2010



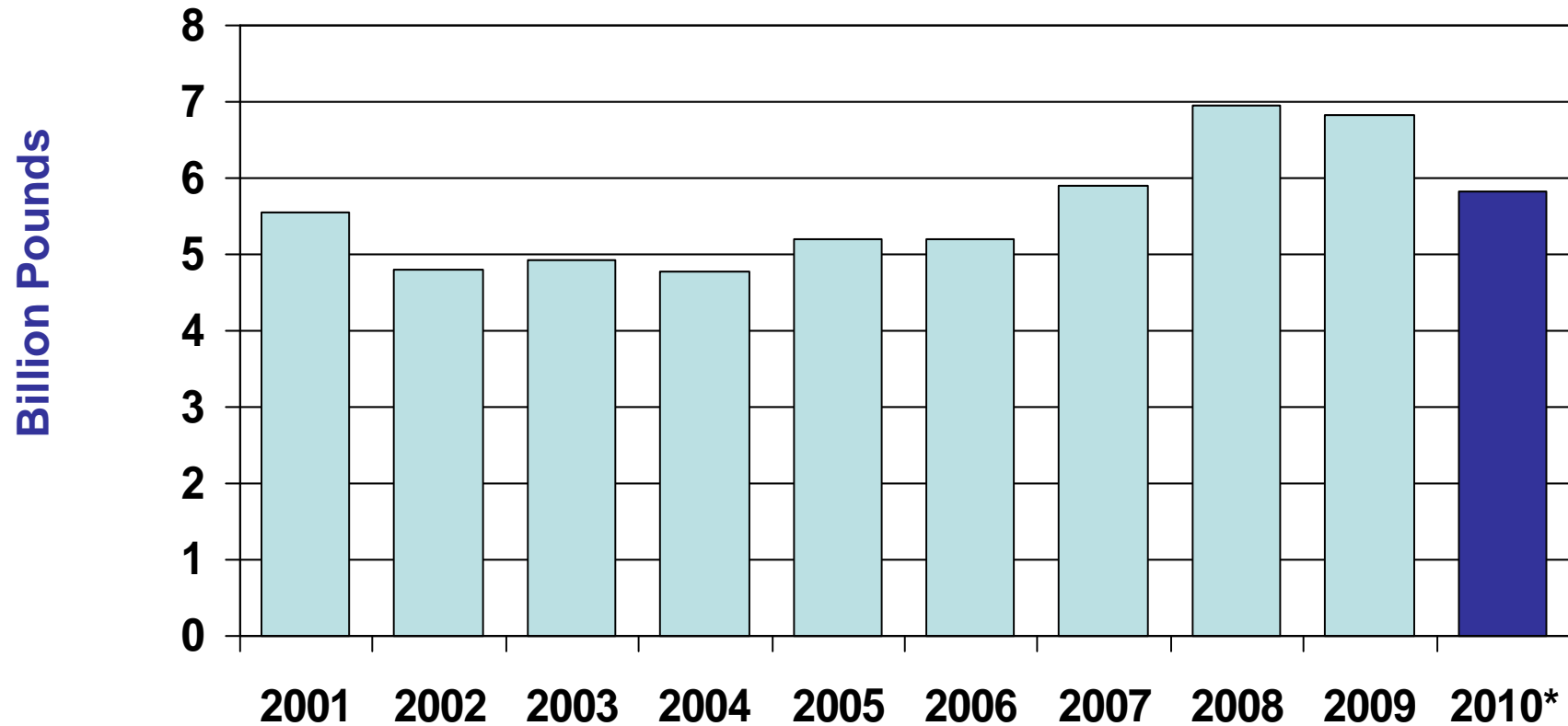
Live Bird Weight Growth Slowed in 2009



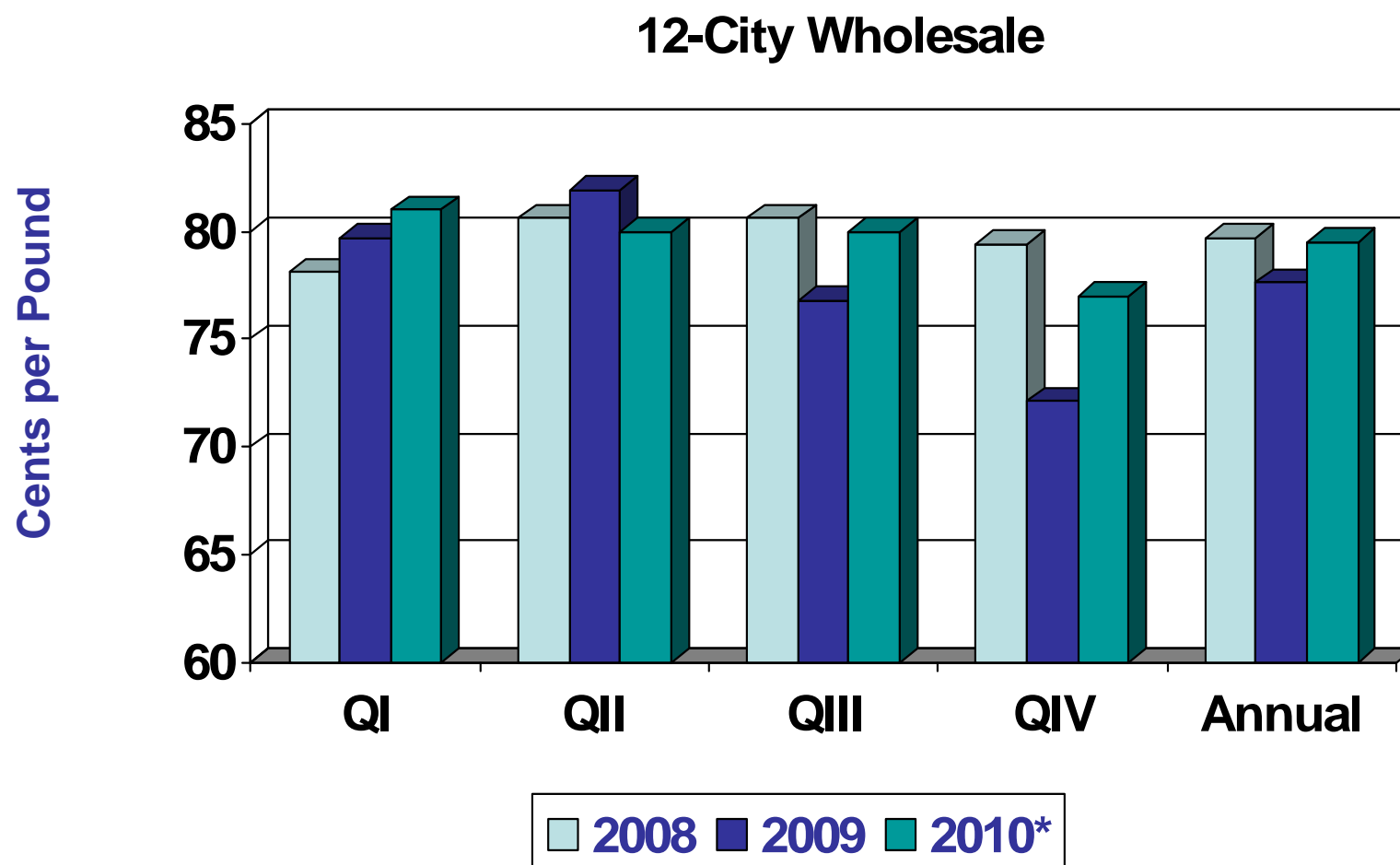
Broiler Meat Output Grows In Each Quarter In 2010



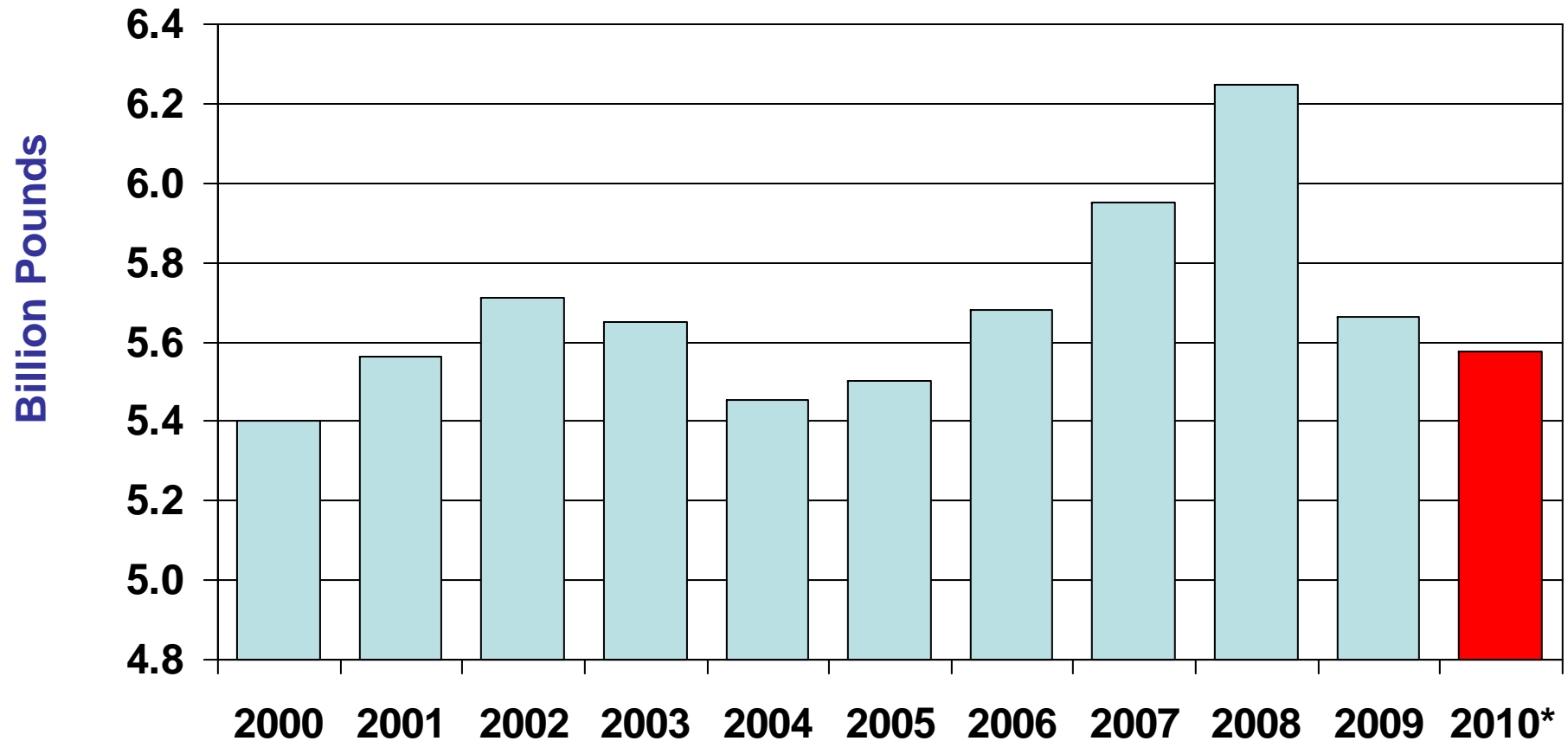
Broiler Exports Drop 15 Percent in 2010 to 5.8 Billion Pounds



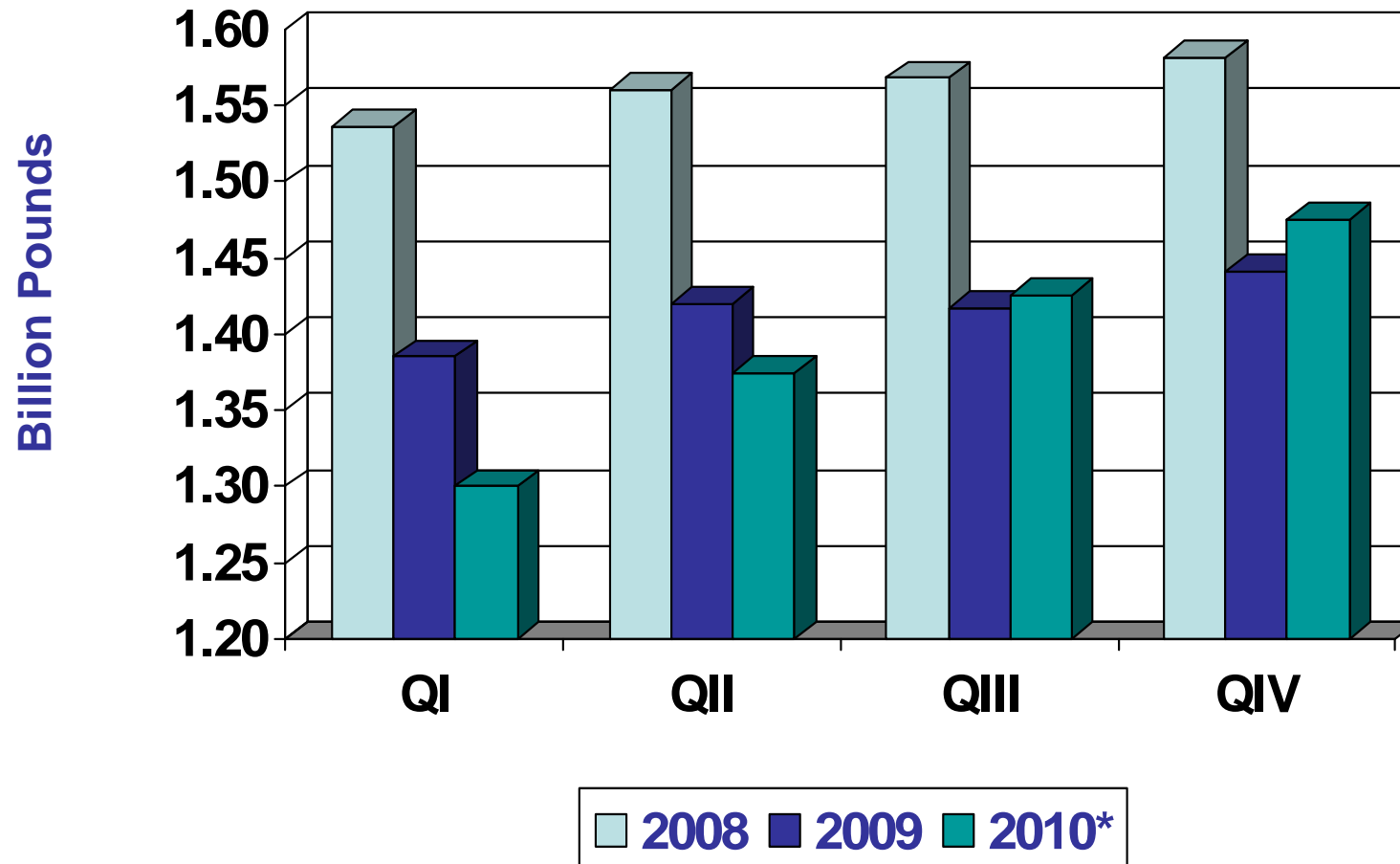
Broiler Whole Bird Prices Increase, to Average 77 to 82 Cents Per Pound



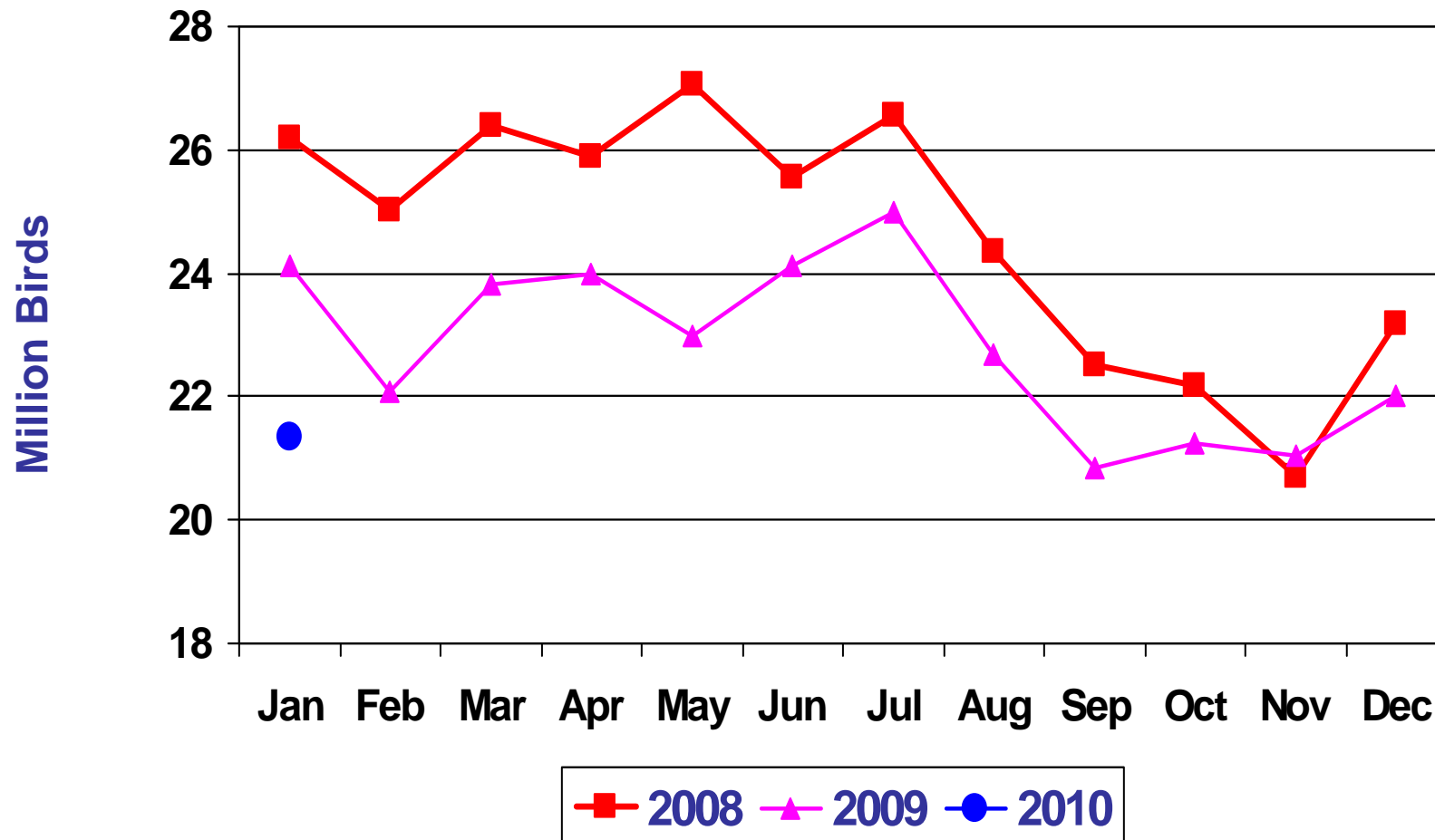
Turkey Production Drops Below 5.6 Billion Pounds in 2010



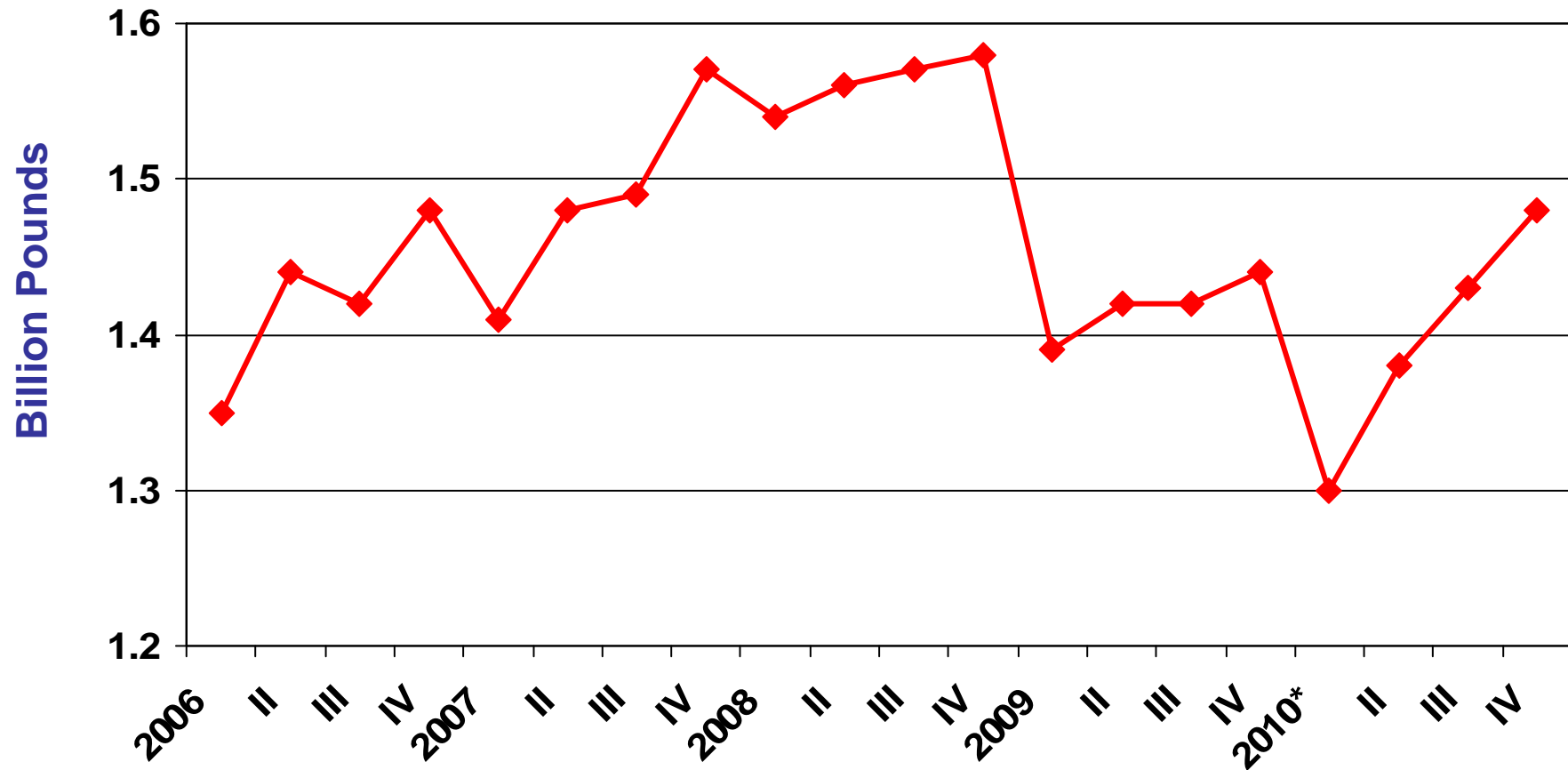
Turkey Production Rises in Second Half, Still Below Year Earlier at 5.56 Billion Pounds



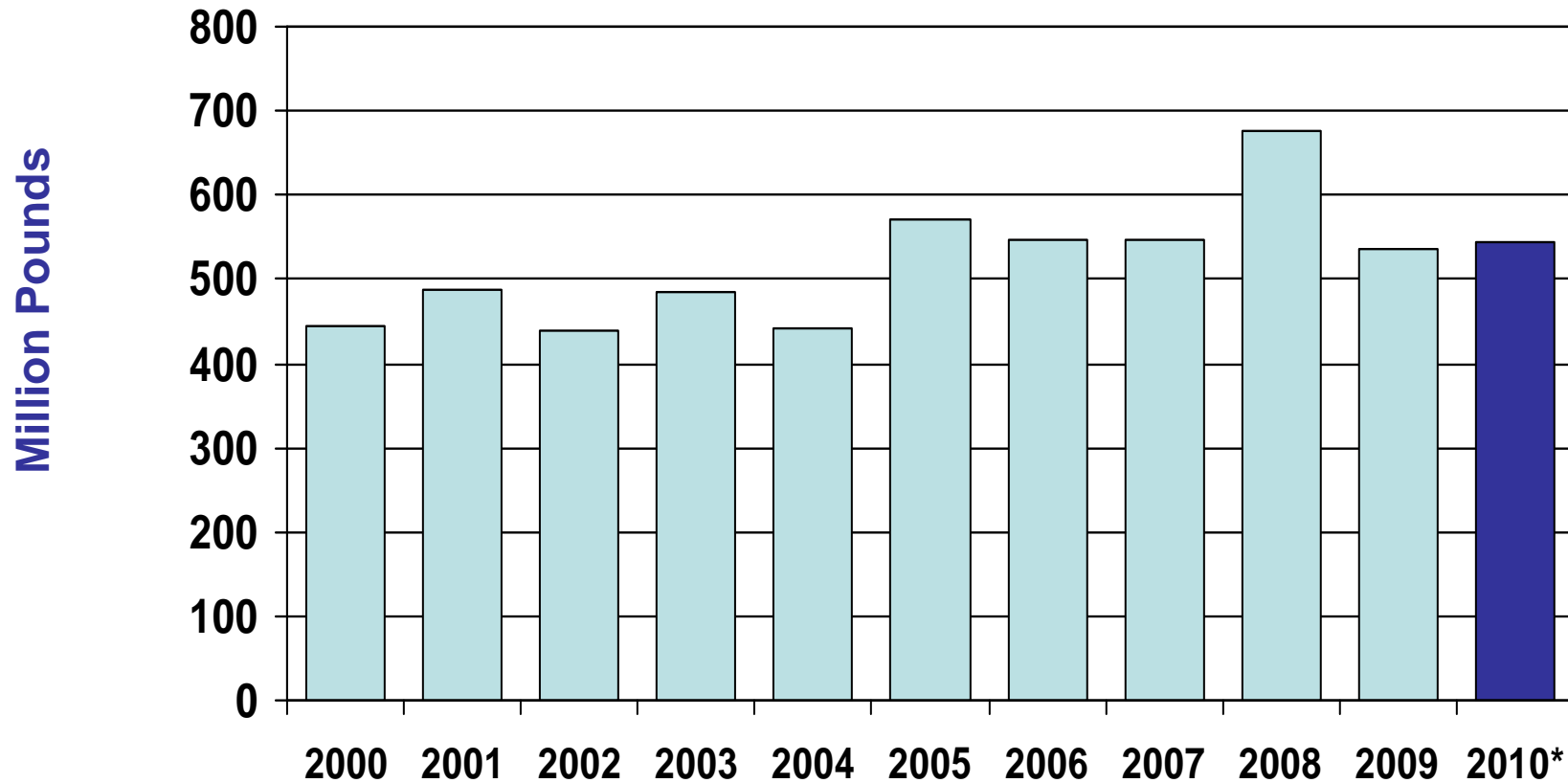
Net Poult Placements Remain Low Into 2010



Turkey Production Start to Rebuild from Lowest 1st Quarter Since 2000

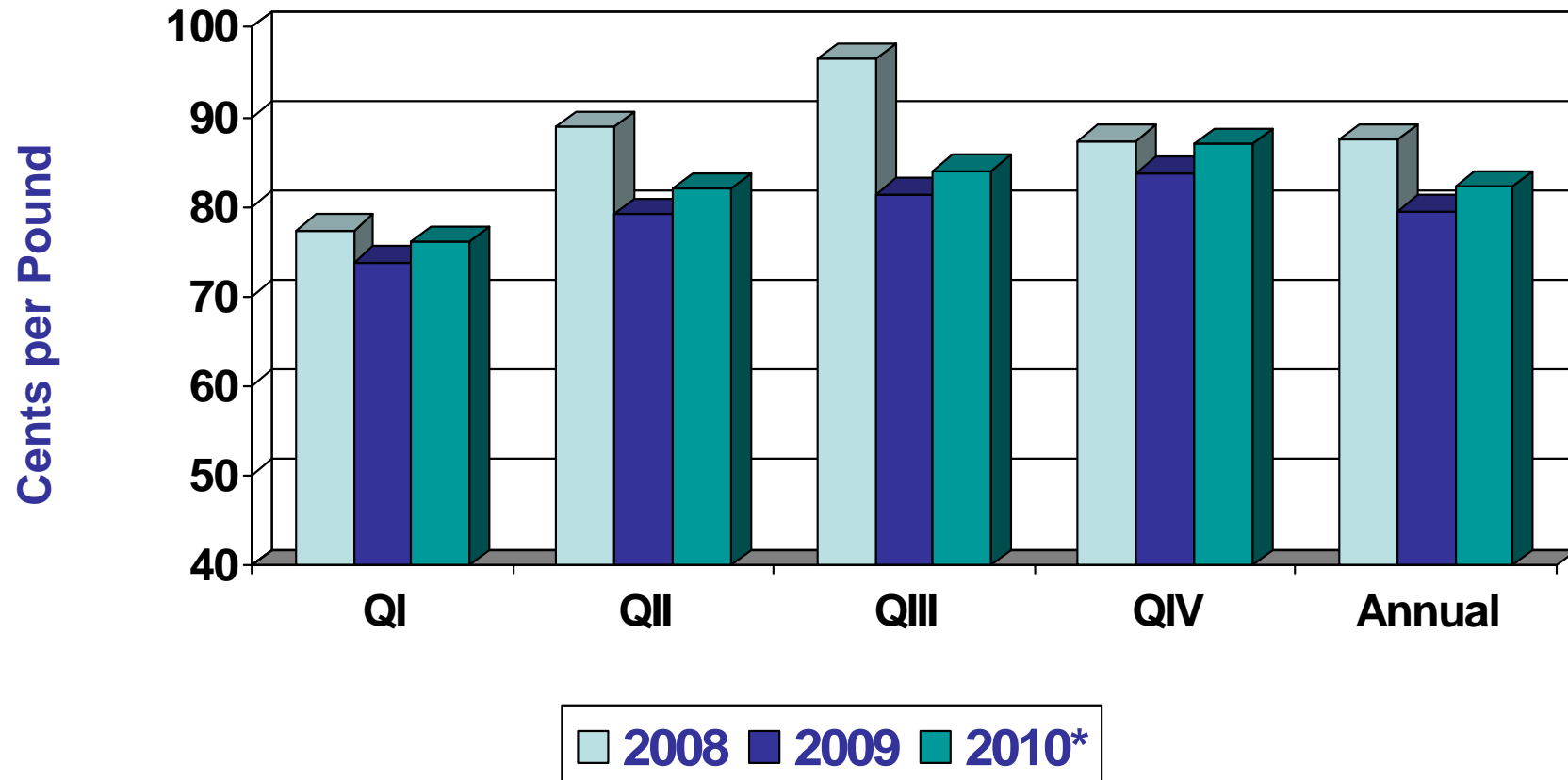


Turkey Exports Increase Slightly to 545 Million Pounds in 2010

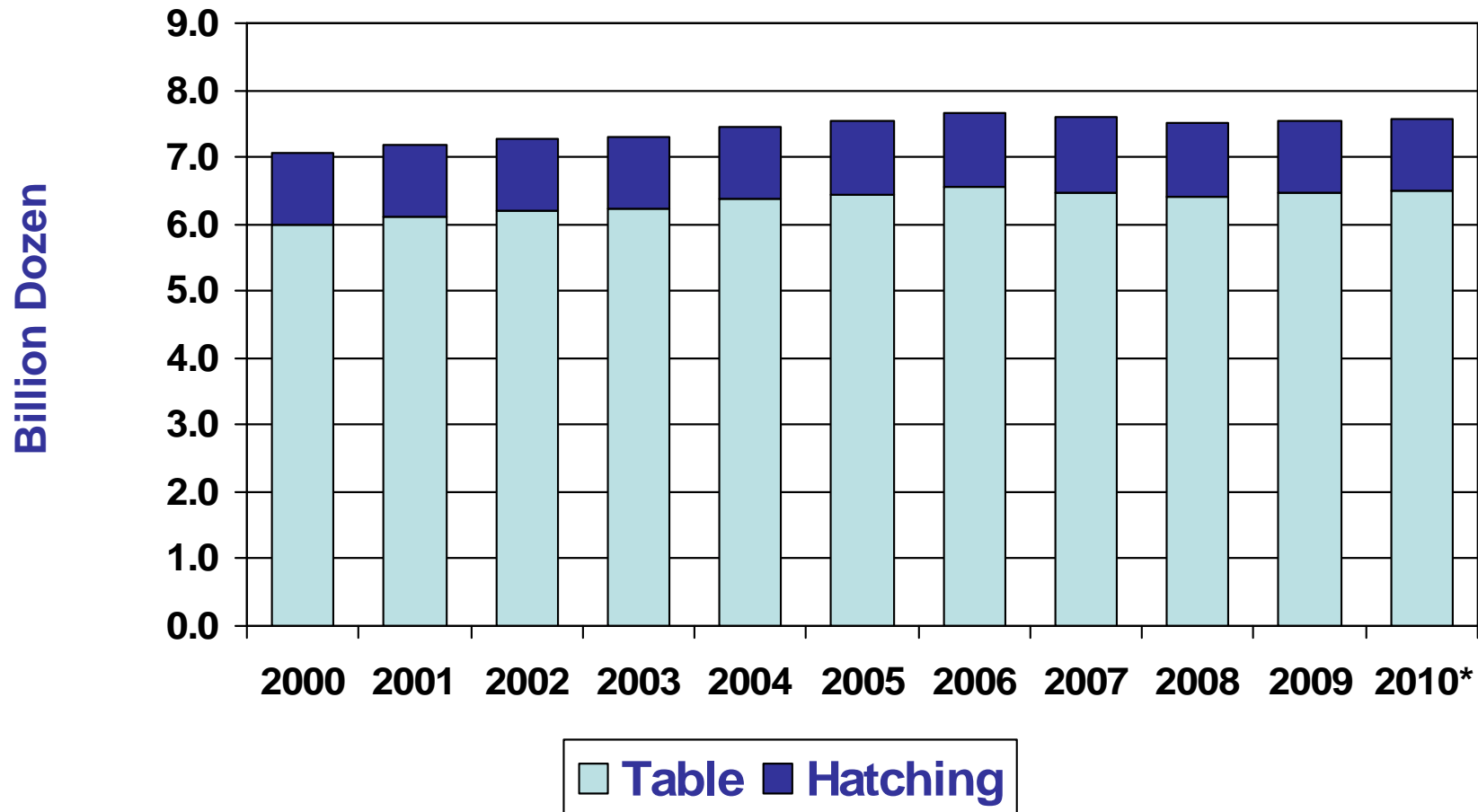


Turkey Prices Increase to Average 80 to 85 Cents Per Pound

Eastern Hens, 8-16 lbs

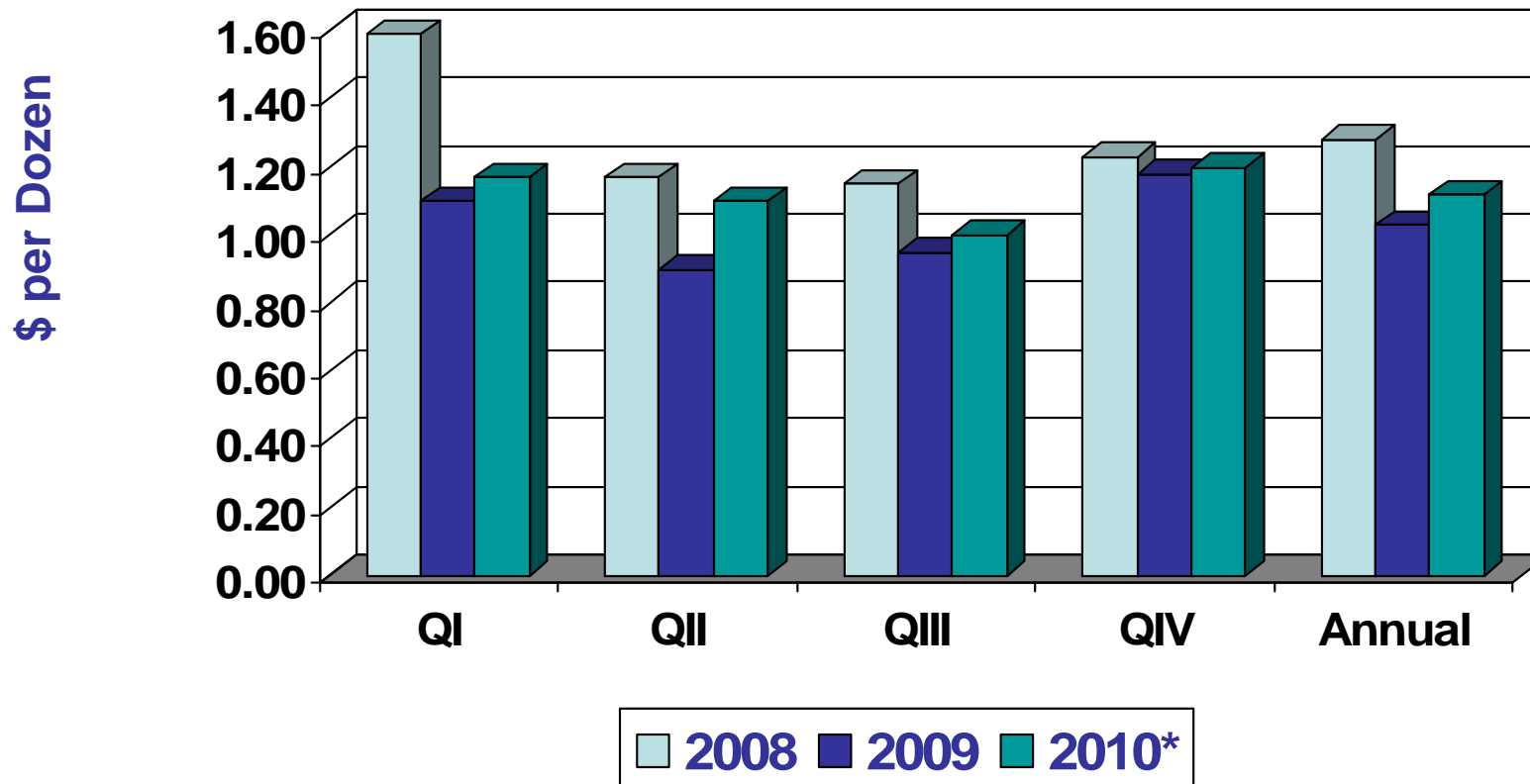


Total Egg Production Slightly Higher at 7.6 Billion Dozen

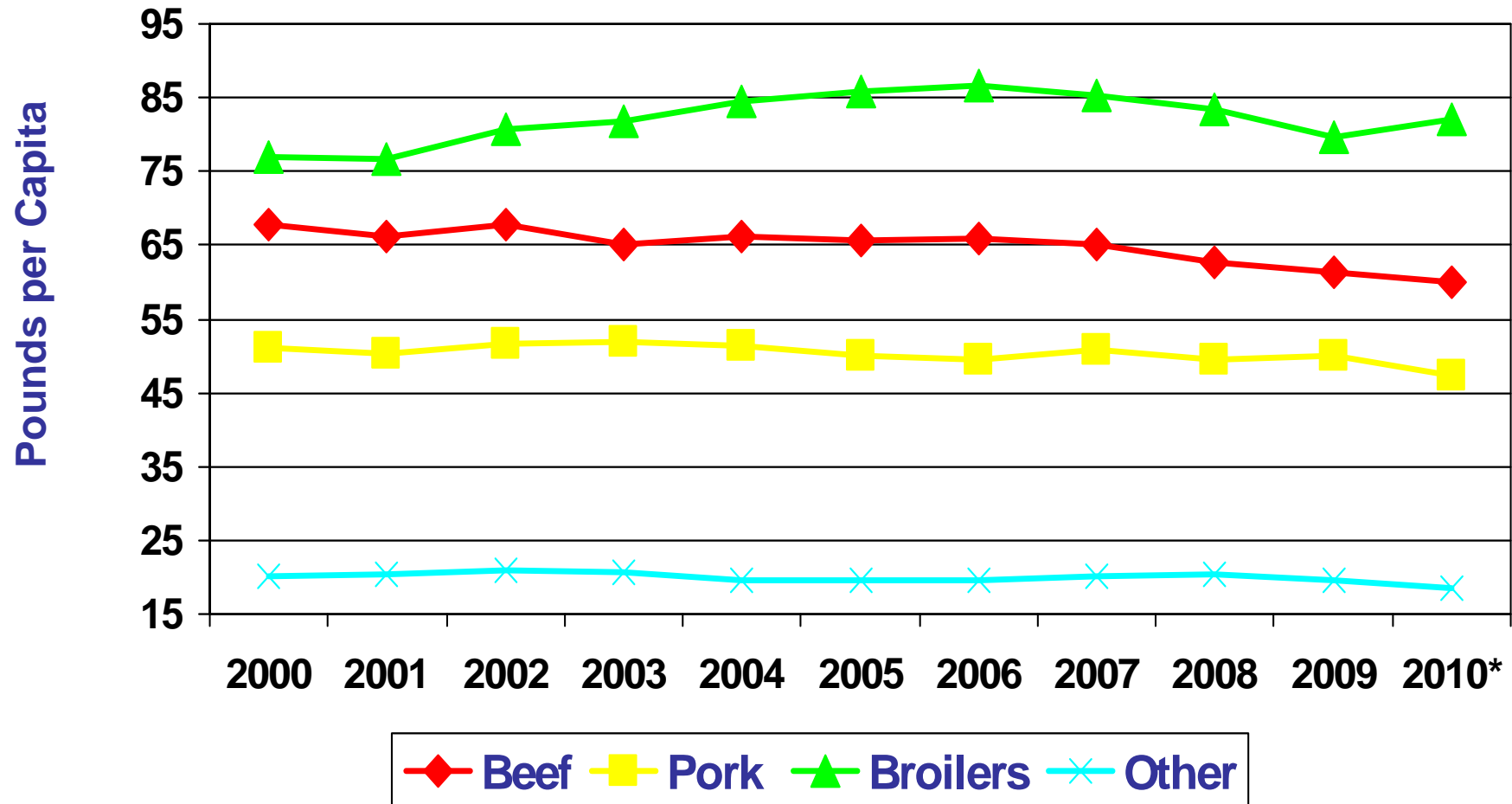


Egg Prices Increase in 2010 to Average \$1.08 to \$1.15 Per Dozen

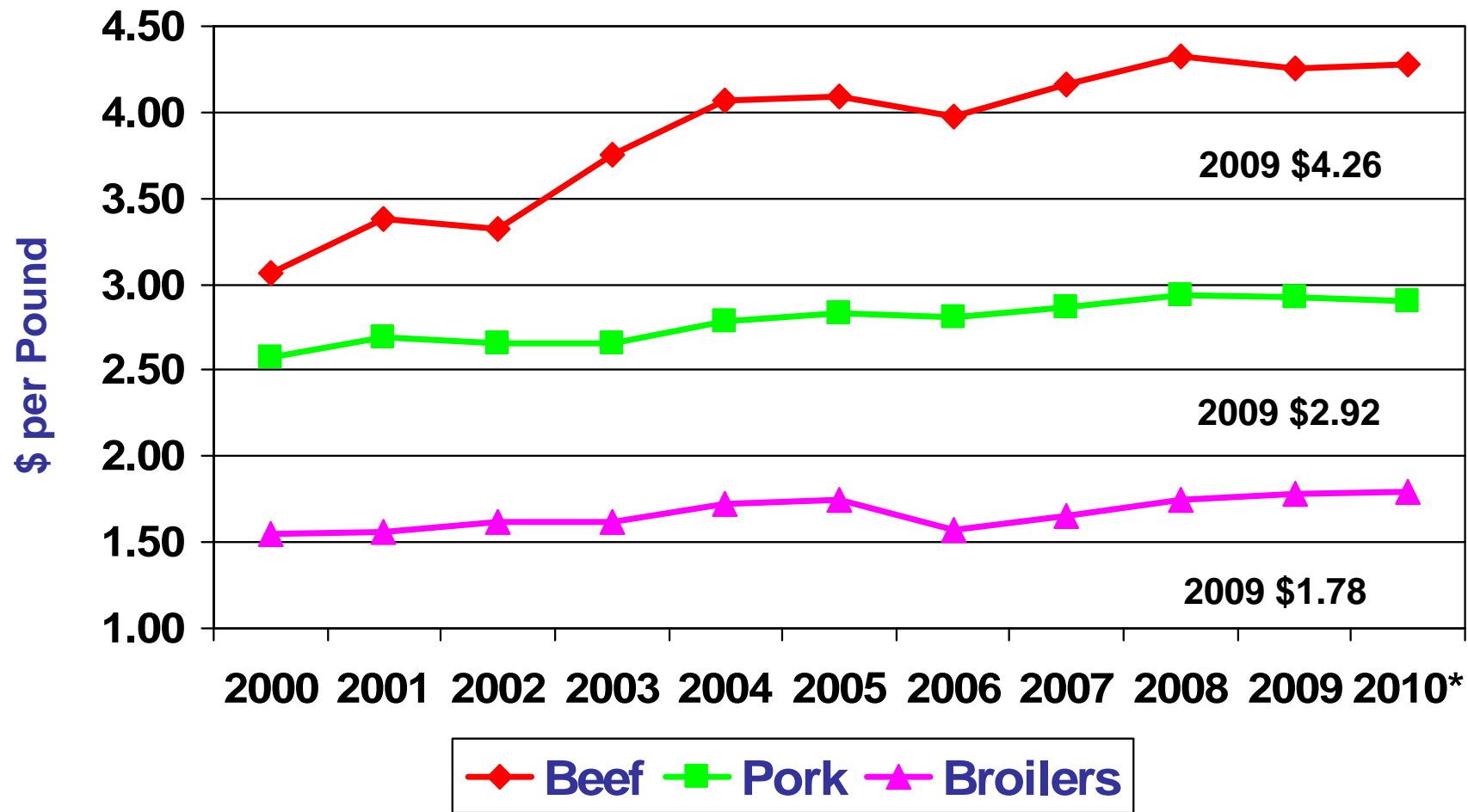
Wholesale, Grade A, Large, NY



Total Meat Per Capita Disappearance in 2010 About 208 Pounds, Retail Weight



Retail Beef and Broiler Meat Increase, Pork Down Slightly for 2010



Additional information about the 2008 outlook is available on the following websites:

- **World Agricultural Outlook Board (WAOB)**
World Agricultural Supply and Demand Estimates
– *www.usda.gov/oce/commodity/wasde/index.htm*
- **Economic Research Service (ERS)**
Livestock, Dairy, and Poultry Situation and Outlook
– *www.ers.usda.gov/publications/ldp/*
- **Foreign Agricultural Service (FAS)**
Livestock and Poultry: World Markets and Trade
– *www.fas.usda.gov/dlp/livestock_poultry.asp*